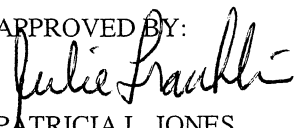


☒ R/W MANUAL CHANGE
(1993 Edition)

RWMC- 143

☐ PROCEDURAL HANDBOOK
(1984 Edition)

RWPH-____-____-____
TRANSMITTAL#____

TITLE: APPRAISALS	APPROVED BY:  PATRICIA L. JONES	DATE ISSUED: SEP 24 2004
SUBJECT AREA: CHAPTER 7 - APPRAISALS	ISSUING UNIT: OFFICE OF APPRAISALS AND LOCAL PROGRAMS	Page 1 of 2
SUMMARY OF CHANGES: Revises Sections 7.01.07.01, 7.02.03.00, 7.04.12.01, 7.04.12.02, 7.14.01.02, Table of Contents for exhibits, Exhibits 7-EX-21, 7-EX-21A, and 7-EX-21B; and deletes Exhibit 7-EX-20.		

PURPOSE

This manual revision implements the changes necessitated by the Certificate of Sufficiency Decision Document approved on April 6, 2004. This revision also reflects the change in policy regarding the delegation of authority for waiving dual appraisals. The approval of all waivers of dual appraisal is delegated to the Region/District; however, approval of dual reports remains "Not Delegated."

The above-referenced policy changes also affect Chapters 2, 6, and 8 of the Right of Way Manual.

PROCEDURES

- | | |
|------------|--|
| 7.01.07.01 | Provides the requirements for waiver of dual appraisal, which is now delegated to the Regions/Districts. |
| 7.02.03.00 | Changes the documentation for the Certificate of Sufficiency to 6-EX-9, which must now include an attached, approved Hazardous Substances Disclosure Document. A recommended process for the delivery of the approved Certificate can be found on the instructions page of 6-EX-9, or the Decision Document approved on April 6, 2004. |
| 7.04.12.01 | Corrects language to reflect that the Certificate of Sufficiency must have the approved Hazardous Substances Disclosure Document (HSDD) attached. |
| 7.04.12.02 | Corrects language to include the HSDD. |
| 7.14.01.02 | Corrects language to reflect that waivers of dual appraisals are delegated to the Region/District. A memorandum approving the waiver is required to be included in the single report. |

Table of Contents - Exhibits	Exhibit 7-EX-20, Certificate of Sufficiency and Hazardous Waste, is deleted.
7-EX-20	Exhibit is deleted.
7-EX-21	Signature blocks are revised to remove all reference to access control sufficiency and hazardous waste.
7-EX-21A	Signature blocks are revised to remove all reference to access control sufficiency and hazardous waste.
7-EX-21B	Signature blocks are revised to remove all reference to access control sufficiency and hazardous waste.

EFFECTIVE DATE

Immediately.

MANUAL IMPACT

- Remove the superseded pages and insert the attached pages in the Manual.
- Record the action on the Revision Record.

REVISION SUMMARY

<u>Chapter</u>	<u>Remove Old Pages</u>	<u>Insert New/Revised Pages</u>
	Remove the following in its entirety:	Replace with the following in its entirety:
7 - Sections	7.01.00.00 (REV 2/2004) 7.02.00.00 (REV 2/2004) 7.04.00.00 (REV 4/2003) 7.14.00.00 (REV 2/2004)	7.01.00.00 (REV 9/2004) 7.02.00.00 (REV 9/2004) 7.04.00.00 (REV 9/2004) 7.14.00.00 (REV 9/2004)
7 - Exhibits	Table of Contents REV 4/2003 7-EX-20 (Rev. 8/95) - DELETE 7-EX-21 (Rev. 1/98) 7-EX-21A (New 3/99) 7-EX-21B (NEW 5/2002)	Table of Contents REV 9/2004 ----- 7-EX-21 (REV 9/2004) 7-EX-21A (REV 9/2004) 7-EX-21B (REV 9/2004)

7.00.00.00 - APPRAISALS

7.01.00.00 - APPRAISAL POLICIES AND GENERAL REQUIREMENTS

7.01.01.00 General Overview

Article I, Section 19 of California Constitution states *“Private property may be taken or damaged for public use only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner.”*

7.01.01.01 Definition of Market Value

The measure of “just compensation” is “market value.” Section 1263.320 of the Code of Civil Procedure defines market value as:

“(a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

“(b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.”

A just and equitable method of determining the value of nonprofit, special use property as defined, for which there is no relevant, comparable market is:

“The cost of purchasing land and the reasonable cost of making it suitable for the conduct of the same nonprofit, special use, together with the cost of constructing similar improvements.”

This method of valuation pertains only to those properties where all of the following apply:

1. Operated for a special nonprofit use such as a school, church, cemetery, hospital or a similar property.
2. Tax-exempt.
3. Not owned by a public entity.
4. There is no relevant, comparable market.

See Section 7.04.13.00 for further details.

7.01.01.02 Necessity for Appraisal

An appraisal is necessary to ensure compliance with the Constitution in arriving at a conclusion of just compensation. The basic document in all appraisals is the Appraisal Report. It contains the appraiser’s estimate of fair market value and all data and narrative necessary to support the appraiser’s conclusions.

An approved Report is generally required for acquisition, property management, relocation assistance and record purposes. It is of critical importance to further Right of Way activity. It must be complete and reliable in all its contents.

The Report will be a summary of basic information and conclusions together with pertinent support. It shall contain information about the properties and general aspects of the entire project. Additional backup information such as detailed improvement descriptions and plans, additional photographs, bids, detailed cost studies, interview records, additional comparable data, utility relocation studies, etc., should be maintained until acquisition is complete and the files are no longer necessary for record, testimony, or RAP purposes.

7.01.02.00 **Appraisal Report Not Required**

When the Region/District determines that the valuation problem is uncomplicated and the fair market value is estimated at \$10,000 or less, based on a review of available data, a Report is not necessary. The \$10,000 amount includes severance damages but excludes any nonsignificant construction contract work. Authority to waive the appraisal is provided for in Federal Regulation [49 CFR 24.102(c)(2)]. Authority to make this determination rests with the DDC-R/W, who may delegate it. The documentation required is the "Determination of Just Compensation." (See Section 7.02.13.00.) The Determination of Just Compensation **cannot** be used as a basis for deposit when obtaining an Order for Possession.

7.01.03.00 **Uniform Relocation Assistance and Acquisition Policies Acts**

Both the Federal and State Uniform Relocation Assistance and Real Property Acquisition Policies Acts contain basic requirements for the appraisal of real property for public project purposes. These basic requirements are quite similar, and therefore apply to all projects.

49 CFR 24.102, 24.103 and 24.104 set forth these basic requirements.

7.01.04.00 **Standards**

The appraiser will thoroughly investigate and consider every material fact regarding the market value of the appraised property. Every effort will be made to interview the property owners and to secure factual information on the subject property sales, costs, alterations, income and expense data, age, etc. The appraiser should refrain from furnishing detailed information regarding valuation, time schedule or construction items. At the appraisal stage, such information is usually incomplete and subject to change.

The subject properties and comparable data shall be viewed in the field and all improvements to be appraised shall be carefully inspected.

The appraisal will be made in accordance with the highest professional methods and ethical standards and with constant regard to the rights of the property owner and citizens of the State. It will be promptly adjusted when new data indicates revisions are appropriate.

7.01.05.00 **Separation of Appraisal and Acquisition Functions**

The Department of Transportation (Department) maintains a separation of the appraisal and acquisition functions, except that, the same person can appraise and negotiate a parcel if total valuation, excluding nonsubstantial construction contract work, is \$10,000 or less. This dollar limit also applies to revisions where the appraiser was previously assigned to negotiate the parcel. The valuation document can be either an appraisal or Determination of Just Compensation as discussed in 7.01.02.00 above.

When the same person prepares the appraisal and does the acquisition, the Certificate of Appraiser must be revised from the standard Certificate. It should contain a statement substantially as follows: "That I understand that I may be assigned as the Acquisition Agent for one or more parcels contained in this Report but this has not affected my professional judgment nor influenced my opinion of value."

Members or candidates of professional appraisal organizations who are assigned to act in the dual capacity of appraiser and acquisition agent should check their organization's code of ethics for specific prohibitions and disclosure requirements.

7.01.06.00 Prerequisites for “Preliminary Right of Way”

Right of Way Planning and Management is the lead right of way function concerning prerequisites for commencement of all “preliminary engineering” activities, “preliminary right of way” activities, and “regular right of way” activities. See Chapter 3.

Preliminary Right of Way is defined as those Right of Way activities that occur after:

- A. The project is programmed or lump sum funded. (Activities are typically charged as Right of Way support to the project's Phase 2 expenditure authorization.)
- B. Budgeted spending has occurred.
 - 1. The project is in the current approved Right of Way Capital Plan or in the proposed Right of Way Capital Plan for the budget year.
 - 2. Other Entity Funding is secured. The source of funding is in accordance with the terms of a Cooperative Agreement with a Local Public Agency, if applicable.

The Preliminary Right of Way Activities are:

- 1. Ordering Title Reports.
- 2. Preparing Base Maps.
- 3. Preparing Appraisal Maps.
- 4. Conducting project-wide comparable sales searches once a preferred alternate is internally selected.

In addition, the preferred alternate must be made public in some manner, e.g., newspaper announcement, distribution of the final environmental document, or the like, before the following activities can take place.

- 5. Assigning appraisers to specific parcels.
- 6. Contacting the property owners to commence appraisal activity (i.e., sending the Notice of Decision to Appraise).
- 7. Completing the appraisal.

These prerequisites do not apply to hardship and protection appraisals.

One of the main reasons that project appraisals should not normally be completed far in advance of the environmental clearance on regular right of way acquisition parcels is to avoid their being outdated before offers can be made. If the appraisal must be updated because of a delay in receipt of the environmental clearance, support required to produce the second appraisal is not eligible for federal participation. In addition, appraisals of partial acquisitions should not commence prior to the receipt of appraisal maps.

Final environmental clearance is a prerequisite to commencing regular right of way acquisition. The exception to this rule is when “early acquisition” is approved. See the Early Acquisition Guidelines (Reference File 00-1). Appraisal support costs may or may not qualify for federal aid. PA&ED plus E-76 approval is the point at which parcel specific right of way support costs become eligible for federal aid on a federally eligible project.

7.01.07.00 **Dual Appraisal Requirements**

Department policy requires dual appraisal reports for unusually complicated parcels or parcels exceeding \$500,000 in value unless a waiver is granted. This amount includes improvements pertaining to realty, severance damages, and construction contract work. This is to ensure the owner receives a fair market value offer and large or complicated appraisals are documented and conclusions supported.

Dual appraisals shall be separate, and fully independent in calculations, analysis and conclusions. This will give a better basis for determining market value and help ensure a sound offer. The appraisers and their Region/District supervisors are responsible for maintaining the fact, spirit and appearance of this independence.

Exceptions to this policy are appropriate in specific instances when the safeguards are demonstrated as unnecessary.

7.01.07.01 **Waiver of Dual Appraisal**

Waiver of dual appraisals will only be approved for relatively simple appraisals with adequate supporting data for the value conclusions and ordinarily will not be approved on very high valued parcels.

The Region/District may approve a waiver of the dual appraisal requirement of Section 7.01.07.00 for project appraisals when the parcel is not complex or controversial.

The Region/District shall complete a memorandum granting the waiver which will be included in the appraisal. Approval of the waiver shall be consistent with the Delegation Matrix in R/W Manual Section 2.05.00.00.

When the waiver is granted, the Region/District may approve the single report up to \$1,000,000, and will submit an informational copy of the approved single report to HQ R/W. If, after granting the waiver, the Region/District Right of Way Division Chief determines that the single report does not meet the criteria of noncomplex as stated below, approval of the report should be withheld and a second report will be required. If a second report is required, both reports will be submitted to HQ R/W for approval. Having to do the second appraisal at the later date may cause a timing problem for meeting right of way certification dates, therefore, the Region/Districts should be certain at the time of the waiver that the appraisal problem is, in fact, relatively simple and neither complex nor controversial.

The following are items to consider in determining which parcels are complex or controversial:

- There is a serious question as to highest and best use.
- Market data is inconclusive because of its scarcity and/or absence of established patterns and value conclusions must, therefore, be based primarily on opinion.
- There are substantial improvements not compatible with the highest and best use of the land. In other words, there is a high degree of economic obsolescence.
- A significant portion of the appraised value is severance damages or there is a substantial question regarding damages or benefits.
- The value of the land is primarily on a development-analysis approach, or there is reliance on a specific plan of proposed development.

7.01.08.00 **Donations**

Anticipated donations must first be appraised unless the following apply:

- A. The donation is initiated by the owner, and
- B. The owner, after being informed of the right to receive just compensation, provides the Region/District with a signed statement or letter waiving said right to receive just compensation and releasing the State from its obligation to appraise the property.

If an owner provides a signed statement or letter waiving just compensation but requesting an appraisal, the Notice of Decision to Appraise is not required.

In the past, IRS has indicated that staff appraisers may not be used to appraise donations in excess of \$5,000 which are to be claimed as charitable contributions for Federal tax purposes. The owner should be advised to check with a tax consultant, IRS and/or the Franchise Tax Board if this or other questions of tax implications arise.

Donations may be used as matching fund credit to a Local Agency. This can apply on selected route segments where a local agency is required to match State right of way protection expenditures. The donation must be appraised to establish the contributory value to be credited to the local agency.

7.01.08.01 **Credit Toward State's Matching Share**

Section 146(a) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 provides that the fair market value of land lawfully donated after April 2, 1987, and incorporated into the project, may be used as credit toward the State's matching share for a Federal-aid highway project. No credit can be allowed for any amount negotiated with the owner which exceeds the appraised fair market value. The credit applies only to bona fide donations. It does not apply to dedications. The fair market value shall be established by an appraisal made in conformity with the provisions of 49 CFR 24.103 and 24.104, subject to the following conditions:

- A. Increases and decreases in the value of the donated property caused by the project are to be excluded.
- B. The appraisal shall not reflect damages or benefits to remaining property.
- C. The fair market value shall be established as of the date the donation becomes effective or when equitable title vests in the State, whichever is earlier.

Donated land must be incorporated into the project to be eligible for credit purposes. Donations made by a Federal, or a State government agency are not eligible for project credit purposes. A contribution by a unit of local government of real property which is offered for credit, in connection with a project eligible for assistance under this title, shall be credited against the State share of the project at fair market value of the real property. Property may also be presented for project use with the understanding that no credit for its use is sought. Right of Way shall assure that the acquisition satisfied the conditions in 23 CFR 710.501 (b) and the documentation justifies the amount of the credit.

All appraisals involving donations for credit to State matching funds must otherwise meet the same standards as normal acquisition appraisals. See Chapter 8 for further information related to Acquisition.

7.01.09.00 **Dedications**

Legal considerations concerning the appraisal of property having future street requirements as of the date of value are summarized in this Manual section. Legal considerations are not to be confused with factual determinations which are to be made in every instance by the appraiser. The problem of appraising property with future street requirements arises where the property is located in such manner that in order to comply with the master plan of streets or the master plan of zoning, additional street areas will be required to be dedicated and improved in the reasonable near future as of the date of valuation for the purposes of the appraisal. These properties generally fall into four categories:

A. Those already improved to their highest and best use.

The property that is already enjoying the highest and best use and the street requirement, while considered, must be assumed to not affect valuation. The local governmental body could apply no valid pressure on the owner to force a dedication in view of the fact that he is already enjoying the highest and best use of his property. If the street were to be widened, the local governing body would be required to condemn the necessary area. Therefore, this property should be paid for at its full market value under its highest and best use.

B. Those already zoned to their highest and best use.

Generally, a dedication requirement arises as a condition for a change of zone. If that is the only requirement of the local governing body, then the conclusions under Category A would be followed. However, a significant number of local governmental entities have adopted building permit requirements, as opposed to zone change requirements, which impose dedication requirements as a condition for obtaining a building permit. If the property is found in such a political entity, then the conclusion under Category C would be followed.

C. Those not zoned or improved to their highest and best use.

Since the required street area would have to be dedicated before the property could achieve its zoning or building permit for highest and best use, the area so required would be of only nominal value. In this instance, the value of the area to be dedicated is reflected in the higher unit value of the remaining property which is generated by such dedication. It follows then that the average unit value theory could not apply and the nominal value theory would be used. In any event, if the appraiser finds that by reason of the local agency's governing provisions the land probably will never be used for street purposes, he should take that into consideration in forming his opinion of value.

D. Those properties which would fall within Category C, except for the fact that there is an interim use of some significant time period before the ultimate highest and best use ripens.

The area to be dedicated would have the same unit value as generated upon either the whole property or the remaining property by the interim use, assuming, of course, that the time of the interim use and the value of the interim use were of such significance as to affect the appraiser's ultimate conclusions of value.

In the same category where the parcel has already ripened to a higher and better use but is improved with a lesser though significant and valuable use which would fall within the definition of an interim use, the determination of value in this case would, of course, be an appraisal problem.

In all of these instances, the future requirement of street dedication with the ultimate improvement of the street for city or county standards must be considered by the appraiser.

7.01.10.00 **Notice of Decision to Appraise**

The appraiser must advise the property owner of the State's decision to appraise the property. The notice must be in writing and cover the following:

- A. A specific area is being considered for a particular public use, i.e., the project;
- B. The owner's property is located within the project area; and
- C. All or a portion of the owner's property (which should be generally described) may be acquired for public use.

The letter will offer the owner (or the owner's representative) the opportunity to accompany the appraiser on an inspection of the property. It will give reasonable advance notice. There is no mandatory format for the notice; however, see Exhibit 7-EX-17 for a suggested format.

Enclosed with the letter to the owner will be the following:

- A. Written explanation of the Department's land-acquisition procedures. The booklet "Your Property, Your Transportation Project" will satisfy this requirement; and
- B. A Title VI brochure and other required items listed in R/W Manual Chapter 2, Section 2.04.01.02.

The Notice and acquisition procedure explanations may be modified as necessary when doing contract appraisal work for other agencies, when the property owner is a governmental agency, etc. Governmental agencies are entitled to written notice, etc., just like a private property owner; however, judgment should be used as to the need to send complete notices and packages to the same agency time after time.

7.01.11.00 **Parcel Diary**

The appraiser will initiate the Parcel Diary Form RW 7-1 for each ownership. The appraiser shall include all required information covered in the instructions. The form should be initiated by an appropriate entry indicating the date the parcel is assigned for purposes of preparing an appraisal, together with entries documenting parcel data.

7.01.12.00 **Responsibility for Providing RAP Information**

The Appraisal Branch is responsible for the following:

- A. The Appraiser, when asked, shall give accurate, basic relocation information to all potential displaced persons who are encountered during the appraisal process.
- B. Pursuant to Federal regulations, the RAP Branch is required to advise potential displacees of their possible RAP benefits as soon as the occupants are identified. The appraiser is usually the first contact a potential displaced person has with the Department. When an appraisal (primary or alternate) indicates a displacement of people, businesses, and/or personal property, the appraiser is to complete the Parcel Occupancy Data Form RW 7-2 at the time of the first meeting or contact with the owner. This is true whether the displacement would result from the taking of right of way or from the effect of the taking on the remainder. Note that a displacement may occur even though there are no severance damages to the real property (a "consequential" displacement). This form may be modified to cover a residential or business only displacement.

The appraiser is to forward the Parcel Occupancy Data form to the Region/District RAP Branch at the earliest possible date and note in the Parcel Diary the date it was forwarded. The RAP Branch will then provide general relocation assistance information to all potential displacees listed. The RAP Branch will send the Title VI (Civil Rights) Survey form and a Title VI brochure to all known tenants.

The appraiser must immediately notify the appropriate branch (RAP, Acquisition, etc.) and make a parcel diary entry, of information which may affect the displaced person's eligibility for RAP benefits (i.e., the knowledge that an occupant intends to move prior to the date of the first written offer).

- C. Where the appraisal of commercial, industrial, or other properties includes machinery, equipment, fixtures, and/or improvements pertaining to the realty, the appraiser shall, as part of the appraisal report:
 - 1. Itemize for identification: machinery, equipment, and fixtures which are considered realty, as well as those items determined to be Improvements Pertaining to the Realty (see Sec. 1263.205 of the Eminent Domain Law). RAP will not pay for the relocation of realty.
 - 2. To the extent possible, determine the ownership or claims to ownership of the listed items as between the fee owner and tenants or lessees.
- D. If the primary or alternate appraisal indicates occupied improvements will be acquired or may be acquired as uneconomic remnants (in the market or to the owner), then the State is usually obligated to provide relocation assistance to the habitants (residential or business). In questionable situations, the appraiser shall discuss the situation with the Region/District's RAP Branch.
- E. Actual and Economic Rental Rates (see Section 7.03.08.00, "Rental Rates") - Economic rental rates for all improved properties will be shown in the fair market value appraisal.

7.01.13.00 **Legal Opinions**

All appraisals shall consider legal problems involved in the appraisal procedure. Care must be exercised to see they are clearly defined and resolved. The Region/District should consult with the Legal Division, normally through HQ R/W, when such problems are first encountered. The Region/District may request a legal opinion directly from a local office of the Legal Division generally where an interpretation of a condition or situation is involved.

Any legal opinions involved in the appraisal process shall be documented in the Report. It may be desirable to secure legal opinions on such questions as benefits, compensable damages, extent of larger parcel, personalty versus realty, valuation of dedications, etc. Strictly adhering to this policy will result in minimum loss of time for Region/District personnel and the State's attorneys.

7.01.14.00 **Responsibility for Preparation**

Appraisals will only be made by qualified appraisers. Field work and composition will be accomplished by or under the direct supervision of a Right of Way Agent of at least Associate grade. The agent assisting in the preparation will, at the Region/Districts' option, sign the Title Page and/or a Certificate of Appraiser as discussed in Section 7.02.03.00 E. The appraiser shall personally conduct the inspection of the subject and comparable properties.

7.01.15.00 **Appraisal Review**

All appraisals are reviewed to:

1. Ensure that the appraiser's documentation, including valuation data and the analysis of that data, demonstrates the soundness of the appraiser's opinion of value and that the appraisal report conforms to the requirements of this Chapter and established appraisal practices.
2. Ensure that the appraised amount is equitable and represents a proper amount for the offer of just compensation in accordance with the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 and Government Code 7260 et seq.

Both the cumulative review and review appraiser process are recognized and acceptable methods for determining the adequacy and appropriateness of the appraisal report being reviewed to ensure that it is based on sound appraisal theory and contains appropriate documentation to support the appraisers' conclusions. Both methods will also accomplish the requirement that the approved appraisal represents the fair market value of the property and represents a proper amount for the offer of just compensation.

Definitions

Administrative Review - A review performed as a due diligence function in the context of making a business decision. The review will consist of ensuring the appraisal contains the proper forms, is in proper sequence, and the arithmetic is correct. The administrative review is usually less detailed than a technical review, and the administrative reviewer does not render an opinion as to adequacy of the opinion of value.

Technical Review - Review performed for the purpose of forming an opinion as to whether the analyses, opinions and conclusions in the appraisal report under review are appropriate and reasonable and that the appraisal complies with the Uniform Act, Government Code 7260 et seq., the requirements of this Chapter, and established appraisal practices.

7.01.15.01 **Cumulative Review Concept**

The cumulative review process used by the Department requires that the appraiser's supervising senior will conduct a technical review and approve or recommend for approval the appraisal report. If the supervising senior is not authorized to approve the appraisal report, it will be submitted for approval to the Supervising Right of Way Agent (Branch Chief), Region/District Right of Way Chief, or HQ R/W in accordance with the current delegations. A flow chart outlining the typical steps in the cumulative review process is shown as Table I in Section 7.01.21.00.

There are limited instances where the Review Appraiser concept and its implementation are available to the staff reviewing appraiser. See Section 7.01.15.02.

7.01.15.02 **Review Appraiser Concept**

The review appraiser is a unique position whose responsibility includes ensuring that appraisals under review are based on sound appraisal theory and contain appropriate documentation to support the conclusion of fair market value consistent with requirements of 7.01.15.00. As part of this responsibility, the review appraiser can reject an appraisal that does not meet the test of an adequate appraisal product and if unable to resolve the differences with the appraiser, require a new appraisal be prepared.

Consistent with current delegations, the review appraiser will conduct a technical review and will have the authority to approve all appraisals over \$10,000.

Since the review appraiser is the only individual reviewing and approving the appraisal report, it is imperative that the review appraiser have a solid appraisal background. This will include education and experience in preparing a wide variety of appraisals including part-take appraisals with severance damages and/or benefits analysis. At a minimum, the review appraiser should be a Senior Right of Way Agent and reports directly to the Region/District Right of Way Chief.

In limited instances, this concept and its implementation are available to the cumulative review appraiser.

This process may be used when an independent fee appraiser is employed to prepare a single-acquisition report or, in rare instances, on a staff appraisal. This situation may also be encountered when a local agency hires a fee appraiser, and the Department provides appraisal review and approval services.

When the review appraiser finds the report lacking in content, support, reasoning, or conclusion, the reviewer may elect to assume the capacity of review appraiser and supplement the areas considered lacking, including modifying the appraised value. This would be accomplished by written memorandum clearly delineating the areas in question and providing full support and documentation for the reviewer's conclusions. Approval requirements will be in accordance with existing delegations.

7.01.16.00 **Review Appraiser Process**

A flow chart outlining the typical steps in the review appraisal process is shown as Table II in Section 7.01.21.00.

A. Roles and Responsibilities of A Review Appraiser.

To better define the role and responsibilities of a review appraiser, a Review Appraiser Task/Duties is included as Table III in Section 7.01.21.00. While some of the tasks may be discretionary, the table provides the basis for the expectations of the duties to be performed by a review appraiser.

B. Approval Certificate

In conjunction with the approval of the appraisal, the review appraiser will sign the Review Appraiser Certificate, Form RW 7-5D, and Appraisal Title Page - Review Appraiser, Exhibit 7-EX-21B.

C. Dual Appraisal Process

The current process for dual appraisal as stated in 7.01.07.00 and 7.01.07.01 remains the same. The review appraiser duties regarding dual appraisals are as follows:

- Review and concur with all requests for waiver of dual appraisals prior to submitting the request to the Region/District Right of Way Chief.
- When dual appraisals are prepared, the review appraiser will perform a technical review of both reports and recommend both reports to HQ R/W for approval.

The review appraiser's recommending approval of both reports is not a recommendation of two separate fair market values. Rather it is an indication that both reports are based on sound appraisal theory and contain appropriate documentation to support the appraisers' conclusions. See Section 7.02.09.02 for an additional discussion on resolving significant judgmental differences between the two reports.

D. Role of Supervising Senior in the Review Appraiser Concept

Although the supervising senior will not be approving and/or recommending for approval the appraisals produced by their unit, they need to have a good understanding of appraisal theory and practice. In this context, the supervising senior will:

- Make appraisal assignments.
- Track progress of appraisals.
- Provide staff the necessary guidance and training.
- Assure consistency in application of data and valuations, particularly between different appraisers who are preparing appraisals in the same area.
- Make an administrative review of the appraisal for accuracy, adequacy of documentation, and consistency in the application of data and valuation prior to submitting the appraisal to the review appraiser for approval. This administrative review is not considered a review for purposes of approving the appraised value nor is it a first step in the cumulative review process. Rather it is a review for form and content to ensure that the appraisal product is complete and contains appropriate documentation to support the appraiser's opinion. Upon completion of the administrative review, the supervising senior will complete the Appraisal Checklist, Exhibit 7-EX-22, and sign a certificate indicating an administrative review of the appraisal for form and content has been completed. Exhibit 7-EX-23 is a suggested format for the transmittal letter.
- Assist the appraisers in responding to the Review Appraiser's concerns.

7.01.16.01 **Minor Deficiencies**

Minor deficiencies are deficiencies that do not affect the value, but should be corrected prior to approval. They include:

1. Mathematical errors not affecting the value conclusion
2. Project identification data
3. Parcel numbers
4. Typographical errors which could lead the reader to an erroneous conclusion. Location, zoning, or present use of either the subject property or of comparable sales, if not a major deficiency (i.e., one which affects value)
5. Other minor deficiencies not affecting value

In the case of minor deficiencies in the appraisal report, the review appraiser can either request the appraiser correct the deficiencies or make the changes to the report. Any changes made by the review appraiser should be initialed and dated and the appraiser notified of the changes.

7.01.16.02 **Major Deficiencies**

Major deficiencies are deficiencies that affect the value conclusion and, unless corrected, will result in a rejection of the appraisal report. They include:

1. Highest and best use analysis
2. Insufficient analysis, reasoning, and erroneous conclusions
3. Errors in valuation
4. Analysis that mislead the user of the report
5. Nonadherence to the requirements of this Chapter
6. Other deficiencies that will cause the report to be rejected

When the review appraiser finds that a report contains major deficiencies, the review appraiser should immediately notify the appraiser and supervising senior, preferably in writing, stating the deficiencies and/or need for clarification. If the review appraiser is unable to resolve the deficiencies, the review appraiser will reject the appraisal and request a new appraisal or prepare a Reviewer's Appraisal Report.

A. Appraisal Rejection

When an appraisal is rejected, the review appraiser prepares a memorandum to the Supervising Right of Way Agent (Appraisal Branch Chief) with a copy to the Region/District Right of Way Chief and supervising senior stating the reasons for the rejection, the major areas of disagreement, and efforts taken to obtain an acceptable report. The supervising senior will then make arrangements to have a new appraisal prepared.

B. Reviewer's Appraisal Report

If it is not practical to obtain a new appraisal, the review appraiser, after consulting with the Supervising Right of Way Agent (Appraisal Branch Chief) and Region/District Right of Way Chief, may develop appraisal documentation to correct the rejected report for the parcel in question. In arriving at their own estimate of value, the review appraiser may use valid market data available, including data contained in any appraisals received for review. The review appraiser must personally verify any data obtained on their own initiative and provide written analyses of the data, plus reasoned justification or explanation supporting their conclusions consistent with the requirements of this chapter and established appraisal practices.

When the review appraiser makes changes to an existing appraisal report to cure a deficiency which results in the reviewer's own opinion of value, the entire appraisal report is considered to be that of the review appraiser and no longer that of the original appraiser.

7.01.17.00 **Approval Authority**

Regardless whether the Region/District utilizes the cumulative review or review appraisal process, approval of the appraisal products will be in accordance with the existing Delegations as discussed in the Policy Chapter in this Manual and shown in the Exhibit Section. Any approvals not specifically delegated are retained in HQ R/W. When appropriate, the Region/District can submit otherwise Region/District-approved appraisals to HQ R/W. This includes Local Agency Contract appraisals when acquisition is to be performed by the Region/District.

7.01.18.00 **Criteria for Use of Independent Fee Appraisers**

When the Department uses an Independent Fee Appraiser to prepare a regular acquisition, condemnation, excess land or airspace appraisal, the Independent must have a general "Real Estate Appraiser Certificate" issued in accordance with Title XI of Reform, Recovery and Enforcement Act of 1989 and the State of California Real Estate Appraiser Regulations Title 10, Division 6.5. This requirement also applies to all Federally-aided local streets and roads projects and all special funded projects.

7.01.19.00 **Report Processing and Records**

- A. The original appraisal shall be held by the Region/District as their Record of Appraisals for the proper retention period. A copy of the approved appraisal is not required to be sent to HQ R/W. This includes Local Assistance contract appraisals when acquisition is to be performed by the Region/District.
- B. Appraisal Reports may contain parcels for both HQ R/W and Region/District approval.
 - 1. Parcels will be arranged in the report in numerical order regardless of approval authority.
 - 2. The Title Page submitted in the report will indicate the number of HQ R/W approved parcels and the number of Region/District approved parcels. Two copies of the Title Page will be submitted and one copy will be returned to the Region/District.
 - 3. The Parcel Summary Sheet will segregate and show subtotals of cost relating to HQ R/W approved and Region/District approved parcels. A total for all parcels included in the Report will also be shown. Include two copies of the Summary Sheet in all Federal-aid project appraisals.
 - 4. Stamp "HEADQUARTERS APPROVED" on the Form RW 7-4 for each parcel which is Headquarters approved.

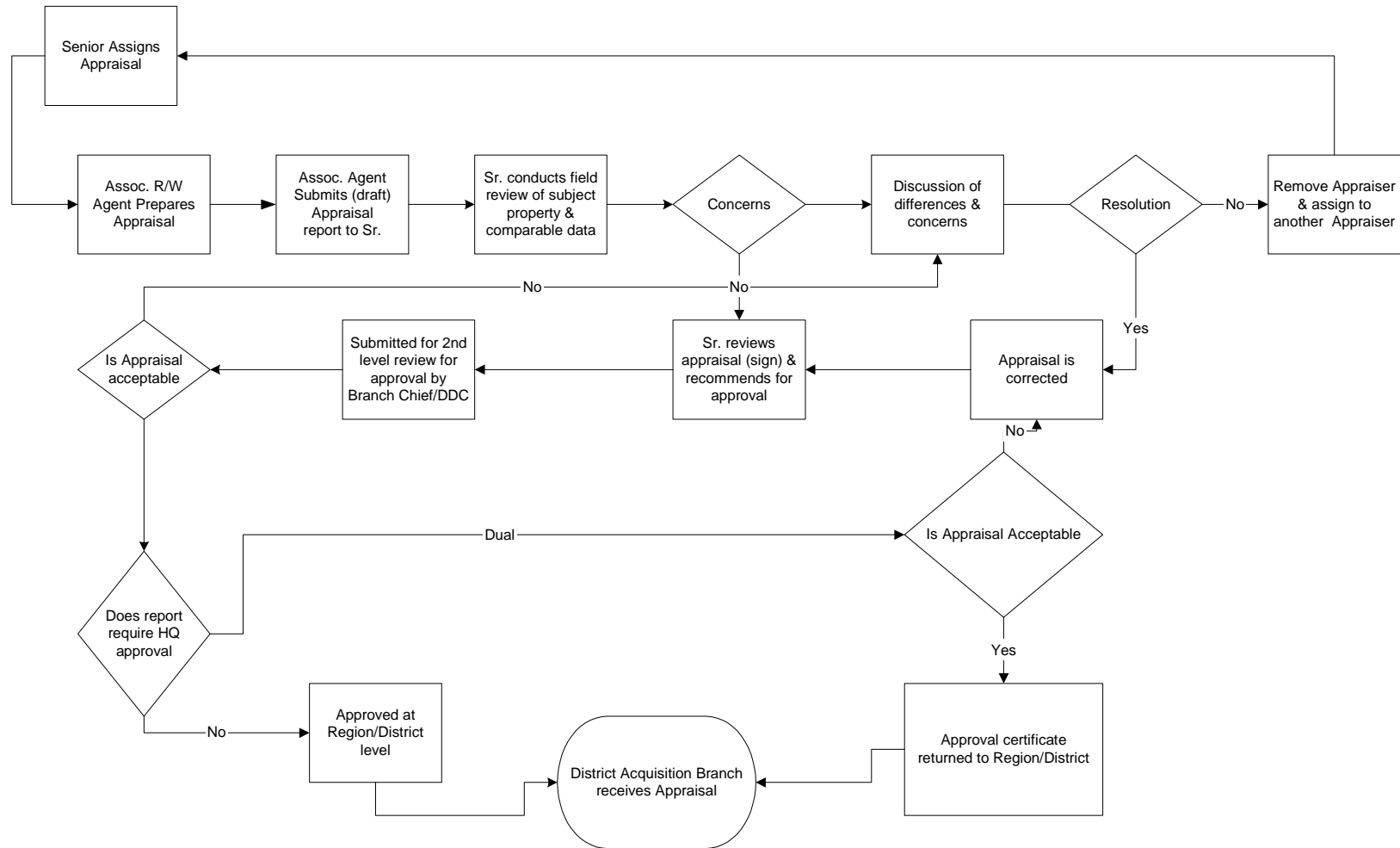
7.01.20.00 **Letter of Transmittal**

A letter of transmittal is not required for routine submission of Appraisal Reports. A letter is required on resubmission of unapproved Reports or the submission of corrected or revised appraisal pages. In these cases, the letter will briefly summarize the reason for resubmission and corrections made. Sufficient copies of the Transmittal letter shall be forwarded so that duplicate copies may be returned to the Region/District.

7.01.21.00 **Tables**

- Table I - Cumulative Review Process For \$10,000 and Over
- Table II - Review Appraiser Process \$10,001 to \$1,000,000
- Table III - Review Appraiser Task/Duties

Table I
CUMULATIVE REVIEW PROCESS
FOR \$10,000 AND OVER



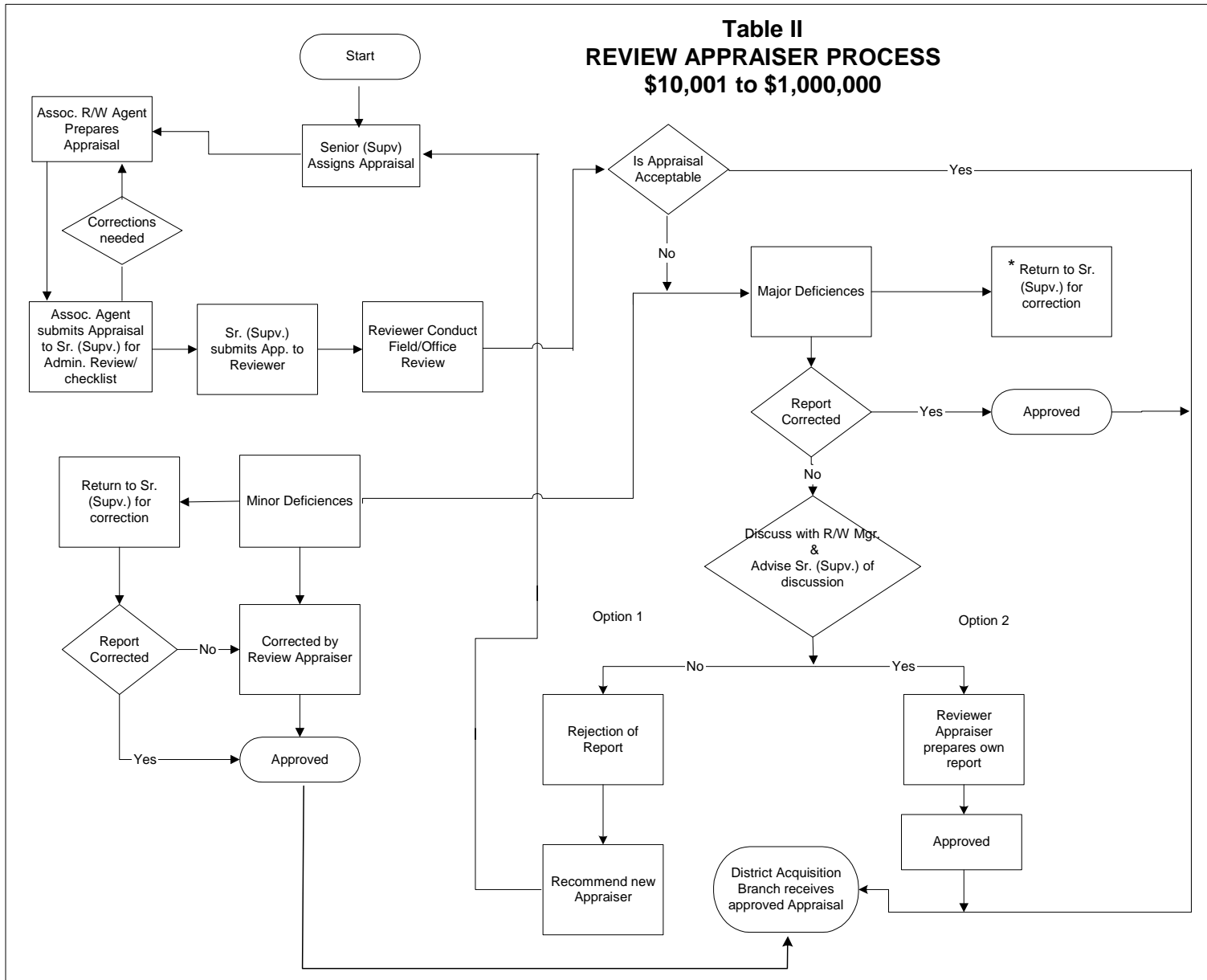


Table III
Review Appraiser Task/Duties

1. To become familiar with all projects involving the acquisition of parcels including field reviews, if necessary.
2. Meets with supervising senior to review the maps of projects involving R/W acquisitions and to discuss potential appraisal problems.
3. In conjunction with supervising senior, determines which parcels require dual reports and when dual reports may be waived.
4. Although supervising senior will author all requests for waiver of dual appraisals, appraisal reviewer recommends approval of such waivers to the Region/District Division Chief.
5. May attend STM meetings, Public Hearings, etc., for projects involving R/W acquisition.
6. Consults with the supervising senior to discuss appraisal issues that arise during the preparation of the appraisals.
7. Reads all single and dual project appraisals and field reviews subjects and comparable sales in accordance with existing instructions in the manual.
8. Assures that Appraisal Branch Senior has completed the standard "Appraisal Checklist," which verifies that appraisal meets requirements of R/W Manual.
9. When reviewing a report where the dual was "waived," has the right to request preparation of the dual should the single report display that the appraisal assignment did indeed not meet the criteria for waiver of a dual.
10. Consults with the supervising senior and the appraiser to discuss appropriate corrective action, if any, on concerns that arose during the appraisal review.
11. May make minor corrective changes to the report, which do not materially effect the value conclusion without assuming responsibility for the appraisal.
12. Approves all single project appraisals up to \$1,000,000, if dual was waived.
13. For dual project appraisals, reviews both reports regardless of value. Approves both for documentation and sends to HQ liaison for review/approval, one for acquisition, and the other for documentation.
14. Reviews and recommends to HQ for approval all other nondelegated project appraisals, e.g., goodwill, railroad, etc.
15. Prepares Review Appraiser Certificate for all parcels approved.
16. Prepares Review Appraiser Report when appraisal is modified in some manner by review appraiser.
17. In exceptional cases, can elect to revise appraisals under the review appraiser concept. When does so, must author revised pages, appraiser certificate, etc., as required and assumes role of the appraiser.
18. Approves all Excess Land appraisals where the right of approval has been delegated to the Region/District. If not delegated, reviews report and recommends approval to HQ for final review/approval.
19. Reviews and recommends approval of all Airspace appraisals to HQ for final review/approval.
20. Repeats Items 7, 8, 9, 10, 11, 13, 14, and 15 as they relate to Excess Land and Airspace Appraisals.
21. Is responsible for assuring consistency of appraised values on any given project. When inconsistencies are observed, meets with the Appraisal Branch Senior to discuss appropriate corrective action.
22. Is responsible for assuring that individual appraisal branches are being consistent in the application of Department's appraisal policies. Consults with supervising senior when discrepancies are observed to discuss appropriate corrective action.
23. In conjunction with supervising senior, provides appraisal training to appraisal staff.

7.02.00.00 - APPRAISAL REPORTS

7.02.01.00 **Federal Project Numbers**

Federal project numbers are required for projects involving Federal participation in Right of Way costs. The Federal project number will appear on the following:

- A. All appraisal correspondence (including a letter of transmittal, if used)
- B. The Front Cover
- C. Appraisal Title Page
- D. Parcel Summary Page
- E. Parcel Appraisal Pages
- F. Appraisal Maps

7.02.02.00 **Report Identification Numbers**

Appraisal Reports will use Phase 9 Expenditure Authorizations and be numbered in sequence. Each expenditure authorization will have its own series of Report numbers. If an expenditure authorization is subdivided, each new expenditure authorization number will warrant a separate series of numbers. The Title Page will also show the Control Expenditure Authorization.

Project post mile and project limit descriptions of each Report must coincide exactly with Phase 1 Expenditure Authorization limits. Right of Way Planning and Management can provide the most current description.

7.02.03.00 **Organization, Content and Sequence**

The material in most Reports shall be arranged in the following order as applicable. All pages in the Report shall be numbered consecutively and completed as described.

A. Front Cover

HQ R/W copy of the Report will be bound and the information shown on Exhibit 7-EX-1 will be typed in the upper right-hand corner of the cover sheet.

For a revised parcel, place the word "Revised" and the old Report number in parentheses following the parcel number. All parcels appraised together as a larger parcel will be listed in parentheses under the lowest parcel number of the group, regardless of number sequence.

B. Title Page

The Title Page will be organized substantially as shown on Exhibit 7-EX-21 if the cumulative review process is used or Exhibit 7-EX-21B if the review appraiser concept is used.

At least two copies of the Title Page will be submitted to HQ R/W so one can be returned to the Region/District as a receipt. The original and all copies of the Title Page will be bound into the Report, inside the front cover. This procedure provides the Region/District with a positive verification of HQ R/W having received their copy of the appraisal and any revisions.

Each person signing this page certifies the appraisal has had appropriate review for accuracy and the Report is approved or recommended for approval. Signatures shall be in accordance with current delegations.

The person verifying the calculations certifies that all mathematical calculations have been checked, verifies the accuracy of the maps in comparison with parcel appraisals, and certifies that no typographical errors or content inconsistencies exist in the Report.

The "Remarks" section may recommend referral of the Report to a particular HQ R/W Reviewer who may have particular knowledge of the project or the appraisals involved. Special urgency may be indicated and teletype approval may be requested in this section. Special comments will be shown in this section.

C. Parcel Summary Page

This will be prepared in accordance with RW 7-4. One extra copy will be included in the Appraisal Report sent to HQ R/W for forwarding to FHWA as appropriate.

D. Certificate of Sufficiency and Hazardous Substances Disclosure Document

Use of Exhibit 6-EX-9 is mandatory. The Maps do not become final until they are attached to the Certificate of Sufficiency and Hazardous Substances Disclosure Document. For further information, see the instructions for 6-EX-9.

E. Senior Field Review Certificate

This will be organized substantially as shown on RW 7-5. The Senior Agent supervising preparation of the appraisal will sign the Certificate which summarizes his field review and decisions regarding all parcels in the Report. RW 7-5A will be used when no field review is performed. Form RW 7-5D will be used by the Review Appraiser.

F. Certificate of Appraiser

This is executed by the Appraiser and by any other Agent who participated in preparing the appraisal. A new Certificate is required whenever a parcel appraisal is revised resulting in a change in value. See RW 7-6.

G. Excess Land Review Certificates

This will be included in all Reports proposing purchase of excess lands. A new Certificate will be submitted with any change in excess parcels. See RW 7-7.

The Certificate will be executed by the Region/District Excess Land Manager. The purpose of the excess land review is to minimize or eliminate fragmentary excess land parcels.

H. Introduction

The Introduction shall contain information of a general nature applying to the Appraisal Report as a whole or to groups of parcels. It may also contain parcel description or valuation information pertaining to several parcels.

Data which apply only to individual parcels should be shown on the pages for those parcels and not in the Introduction.

I. Outdoor Advertising Structures Page

All outdoor advertising structures owned by other than grantor or occupants of the subject property will be listed on the Summary of Outdoor Advertising Structures prepared in accordance with the format and instructions shown on RW 7-8.

The cost of outdoor advertising structures appraised will be carried forward to the Parcel Summary Page.

J. List of Access Openings

A list will be included in each Report containing appraisals with proposed private openings in the access-restriction line. The list will show the openings by parcel number, station location, width, and type (permanent, temporary, or locked gate). The list and pertinent maps will be reviewed and confirmed with Region/District Project Development immediately prior to submission of the Report for approval.

K. Photographs

Each Parcel Appraisal and each Comparable shall include photographs. They are to show all major improvements. Approximate location and direction of the view and the right of way line should be indicated where possible. Each photograph will be clearly identified with the parcel number, date, and photographer's initials or other suitable identification. This information may be scribed on the photo negative before printing. Clear photo copies may be used in lieu of photographs of repeated comparable data.

L. Parcel Appraisal Pages

Separate pages will be included covering all parcels (and subparcels when necessary) included in the Report. See RW 7-9. An Appraisal Page may be used to recapitulate the values for all subparcels in the parcel appraisal and for all parcels appraised together as a larger parcel.

M. Parcel Remarks

The Parcel Remarks shall contain information of a specific nature, applying to the individual parcel only. Included in this narrative section are site descriptions, improvement descriptions, damages discussions, and calculations.

To aid the acquisition agent with the preparation of either the Appraisal Summary Statement or the Valuation Summary Statement, in compliance with Section 7267.2 of the Government Code, the appraiser shall provide a paragraph entitled, "Summary of the Basis for Just Compensation." The paragraph shall be reproduced, verbatim, and inserted by the acquisition agent into either the Appraisal Summary Statement or the Valuation Summary Statement. This paragraph shall provide a concise summary of the reconciliation of value, (i.e., method most heavily relied upon, and reason); the reason for damages, or the lack thereof; the reason that damages can or cannot be cured; and a discussion of benefits, or a lack thereof. Numerical calculations should not be included in the narrative discussion.

This information can be included in the Introduction section when the appraisal report, or waiver of appraisal report, contains only one parcel.

N. Sales Data Page

This will be prepared on the form and according to the instructions shown on RW 7-10. Each change of vesting of the subject during the last five years will be explained on a Sales Data Page. The most recent sale that occurred during this period shall be verified by the appraiser with both the grantor and the grantee if at all possible. If not verified with both parties, efforts to do so must be described.

A complete verification shall be made, not only as to price paid and terms of the sale and what the sale included, but why the seller sold the property, why the buyer purchased the property, was the buyer aware of the State's proposed construction and acquisition, if the buyer had knowledge of the proposed construction and the effect it had on the purchase price, and how the purchase price was determined.

Any difference in appraised value and sales price must be explained.

This page is not required for sales of portions of the subject ownership outside the right of way.

O. Summary of Comparable Data

All comparable data used in a Report should be separately summarized in tabular form similar to Exhibit 7-EX-2.

A specific comparable or group of comparables may be related to one or more specific subject properties.

P. Comparable Data Pages

All comparable data will be carefully investigated with as many parties involved as warranted. Comparable sales should be confirmed with the buyer or seller; both parties, if necessary. In the rare instance when the sale cannot be confirmed with one of the principals to the transaction, the appraiser will provide the full explanation on the Comparable Data Page. In these cases, confirmation with secondary sources such as brokers, closing agents, and lenders with direct knowledge of the transaction should be included. Information solely obtained from the Assessor, Recorder, or private data services such as Costar, FARES, and Multiple Listing Service is not adequate for verification and confirmation purposes. Comparable improvements are to be inspected, including interiors, and square meters obtained. If not possible, the Comparable Data Page will so state.

Recent listings of the subject parcel should be investigated, considered, and explained in the appraisal. If the listing is considered to be a reliable indicator of value, it may be included in the comparable data. In this case, it will also be referenced as a subject parcel.

All comparable data will be described on Comparable Data Pages in accordance with RW 7-11.

Other State appraisals or settlements will not be used for comparable data purposes.

An appraiser using the data verified previously by another State appraiser must investigate and analyze the data as appropriate, to enable reliance on the information for valuation purposes. This does not require reverifying the data with the principals unless the circumstances warrant. It does require viewing the data in the field and reviewing all pertinent information necessary to become familiar with the data in all the aspects necessary for reliable comparison purposes. It is imperative that each appraiser analyze any zones of land value or contributory value of improvements indicated on the Comparable Data Page. Independent judgment will be documented by appropriate comments on the sales sheet to the effect that the figures have been reviewed and found reasonable or changes made to reflect the second appraiser's judgment. Each appraiser is free to change items on sales sheets previously used if he or she disagrees with the judgment of the original appraiser.

The Comparable Data Page will show the date and name of the agent who originally verified the data. If the comparable data is used by other appraisers in subsequent appraisals, the date and name of the using appraiser will be shown immediately below that of the verifying appraiser.

Not all comparable data discovered need be included in the Report. Include only that data considered most reliable and indicative of market value and which has been referenced in support of the parcel appraisal. Additional data should be retained in the Region/District's files.

The Comparable Data Page shall be numbered, indexed, and filed for easy and rapid retrieval.

The inclusion of an Assessor's Plat of the comparable is strongly encouraged for clarity and understanding.

See Section 7.05.02.00 for further information on comparable data.

Q. Appraisal Maps

The Report will contain all the maps necessary for proper analysis, identification, and documentation. Each Report will contain, at a minimum, an Index Map, Appraisal Maps, and a Comparable Data Map. When practical, these maps may be consolidated.

The Report will include any additional maps required for proper understanding and documentation of specific parcel valuations, such as contour maps, topographic maps, or design plans. Significant topography should be included for partial acquisitions. Where a total ownership is very large, it can be shown on a reduced sketch, plat, or map.

Exhibit maps showing pertinent design detail are required for parcels with damages, benefits, and/or construction contract work of other than routine curative nature, utility relocations, or road approaches. Such exhibit maps may be on a reduced scale and need show only the affected parcels. The maps should show the main lanes, frontage roads, and the nearest interchanges, drainage structures, construction contract work locations, and information regarding cuts and fills (if significant) for the affected parcels. At the Region/District's discretion, this information may be on separate maps, or plotted on the Appraisal Maps. If a large number of parcel appraisals are involved, the possibility of consolidating the Appraisal Map and the topographic design map should be investigated.

The Appraisal Branch is responsible for the completeness of the maps, and for requesting delineation of pertinent data and topography not previously included.

It is also the Appraisal Branch's responsibility to ensure that maps, including coloring, are correct. If corrections are required, the maps will be returned to R/W Engineering for correction.

R. Comparable Data Map

This map will be produced from information supplied by the appraiser. The map must show the proper locations of the comparable data, the subject properties, and other pertinent information necessary for the understanding of the comparable data. Inclusion of the date of sale and unit land value is encouraged but not required.

The map will be prepared by Right of Way Engineering or the appraiser. It will be of sufficient size or scale to show the following:

1. Size, shape, and location of subject property(ies) and comparable data as related to each other.
2. Zone(s) of the various properties (when pertinent).
3. Comparable sales colored orange, comparable listings colored green, and subject property(ies) colored red.
4. Utility service mains (when pertinent).

Additional information may be included when necessary or when considered by the appraiser to contribute to the understanding of the comparable data. A North arrow will be included on all maps.

7.02.04.00 **Parcel Numbering**

The parcel numbering shown on the Appraisal Maps and certified for right of way acquisition will be utilized in the Report. If parcels merge prior to final Appraisal Maps being received by the Appraisal Branch, the parcel numbering will be revised. If a merger occurs after final Appraisal Maps are received, at the Region/District's option, the assigned parcel numbering will continue and the merged parcels will be appraised together as a larger parcel. Merged parcels will be colored one color; both separate and combined areas will be shown, and the correct vesting will be shown on the maps. The lowest parcel number will be used for reference and the other number(s) will be shown in parentheses. If the Region/District prefers, it can revise the maps and numbering and combine the parcels into one.

Occasionally, an ownership lies outside the right of way but has appurtenant rights affected by the project requirements (access rights, easements, etc.). The effect of the project requirements may not become known until the appraisal stage. Such rights may be cleared by quitclaim deed in the encumbered parcel transaction. Frequently, however, the right of way acquisition of the appurtenant rights may materially affect the dominant remainder. If a separate appraisal of the affected ownership is required, the Appraisal Branch will request a parcel number be assigned and the ownership delineated. Separate appraisals may be required when (1) improvements are affected, (2) damages occur to the remainder, (3) construction contract work is required, or (4) a separate escrow is necessary.

Subparcel numbers will be used to designate separate requirements. Occasionally, subsidiary interests, such as mining claims or oil rights, will require separate appraisals. These will be separately identified by subparcel letters by the Appraisal Branch and need not be delineated on Appraisal Maps unless required for clarity.

Parcel numbering for right of way purposes may not necessarily coincide with condemnation parcels nor with title company parcels.

It is the Region/District Appraisal Branch's responsibility to ensure that vestings, parcel numbering, and appurtenant rights are correct.

7.02.05.00 **Number of Parcels Per Report**

The number of parcels in each Report will be dictated by the similarities of the parcels appraised, common comparable data, and the requirements of timely submission of parcel appraisals to Acquisition. The number of parcels should not normally exceed 30 in any one Report.

7.02.06.00 **Parcels Straddling an Expenditure Authorization**

If requirements from a single ownership straddle an expenditure authorization, it will be acceptable to charge the total property cost to a single project expenditure authorization. Minor overlaps warrant investigation of possible project limit adjustments.

7.02.07.00 **Parcel Groups - Mutual Owners**

A project may contain multiple parcels with the same ownership, but the parcels not comprising an integrated operation. In these cases, the remarks for each parcel should contain clear references to other parcels required from the same owner. All requirements from a single owner on a project should be included in the same Report, if possible.

7.02.08.00 **Parcel Groups - Integrated Operation**

A. General

Parcels that compose an integrated operation will be included in one appraisal with sufficient discussion to illustrate the relationship of the parcels. If the inclusion of all of the parcels in one appraisal is impractical, a request may be sent to the Division explaining the necessity of a variance.

B. Procedure

When appraising parcels which are part of an integrated operation, the following instructions apply:

1. All parcels in the group will be included together in the Report regardless of numbering sequence. If revision of an unclosed transaction is necessary, either revised appraisal pages may be used or the entire group included in a revised appraisal.
2. A Recapitulation Appraisal Page (RW 7-9) will summarize the values for the total group. The page will reference in the upper margin all parcels included in the group. It will use the lowest parcel number as file reference.
3. Following the Recapitulation Page will be the pro rata segregations of value for each parcel and subparcel, including excess portions. Subparcels will follow each parcel. Below the words "Parcel No." on Appraisal Page, insert the words "See also Parcel _____" and the lowest parcel number in the group.
4. Following the Appraisal Pages will be the basic appraisal data for the group.
5. On the Appraisal Report front cover and Parcel Summary Page, list the parcels appraised together as a larger parcel in parentheses showing the lowest parcel number regardless of number sequence. On the Parcel Summary Page, the total value of each parcel in the group will be shown.
6. On the Appraisal Maps, the group will be colored as a whole with the same color. A plot plan of the group will also be shown if the total group cannot be seen on one map.

7.02.09.00 **Dual Appraisal Process**

The second appraisal prepared by either a second staff appraiser or by a contract appraiser under the supervision of another Senior, or both reports may be done by contract appraisers. Contract appraisals shall comply with all pertinent appraisal instructions. This includes the front cover through the Appraisal Page (RW 7-9) which will be prepared by the reviewing Senior from information in the Report. The two reviewing Seniors shall act as a liaison between the appraisers to ascertain that both are following the same legal premises and have benefit of all the sales and other supporting data.

Senior Review Certificates will be prepared for each appraisal.

The excess property inventory valuation and replacement housing estimates will be prepared by Staff (following HQ R/W approval) and not by independent appraisers.

Dual appraisals are to be sent to HQ R/W separately bound but ready for review together. Such reports may contain only dual appraisals but more than one property if the appraisals were done by the same person. The Report to be used for acquisition will be HQ R/W approved. The other appraisal will be reviewed for documentation. The judicious use of joint factual data is encouraged; however, independent analyses, judgments, valuations, and conclusions are required. The Joint Factual Data Book may include any data of a factual nature mutually accepted as such by the appraisers, and other data such as acquisition authorization documents, list of access openings, photos, maps, and cost-new estimates.

7.02.09.01 **Corrections and Revisions**

Where two appraisals were prepared and revision or correction of the approved appraisal becomes necessary, the following guidelines are to be observed:

- A. In general, only the approved appraisal need be revised; except,
- B. In these situations where there is a major change which substantially affects the fair market value estimate, it is necessary to revise both appraisals.

7.02.09.02 **Review Process**

Region/District cumulative reviewers above the Senior level are responsible for resolving significant differences between appraisals due to factual matters only. Determining the reasons for major divergences is important. It may be necessary to inquire into the support for significant judgmental differences. However, any attempt to simply narrow the spread of values resulting from differences is inappropriate and contrary to the purpose for securing dual reports. HQ R/W will consider these differences in its review process.

The Region/District Appraisal Supervisor's signature recommending approval of both appraisals is not considered a recommendation of two separate fair market values. It is just indicating that both reports are based on sound appraisal theory and contain appropriate documentation and analysis to support the appraisers conclusions. HQ R/W is responsible for reviewing both appraisals and approving the report which best supports its conclusions.

7.02.10.00 **Replacement Housing Valuation Reports**

The Appraisal Branch may prepare these reports for use by the Relocation Assistance function. Instructions for preparing them are contained in Relocation Assistance, Chapter 10.

One individual cannot prepare both the Acquisition Appraisal and the Replacement Housing Valuation on the same dwelling unit. One Senior Right of Way Agent may review and recommend for approval both reports on the same dwelling unit as long as that Senior does not also have responsibility for the Region/District's Relocation function.

7.02.11.00 **Calculations**

All monetary appraisal calculations shall normally be carried accurately to the nearest cent without rounding of figures or adjustment of unit values to yield rounded figures. The total appraised value is to be rounded as follows:

- A. From \$500 to \$2,500, to the nearest \$50.
- B. From \$2,501 to \$100,000, to the nearest \$100.
- C. Parcels exceeding \$100,000, to the nearest \$1,000.

When several approaches to value are used, the final value found after reconciliation will normally be a rounded figure. Minor rounding adjustments are permitted on condemnation appraisals for clarity of testimony presentation.

Generally, land areas should be shown to at least three decimal places where hectares or front meters are used, and to the closest square meters where areas are so expressed.

Building areas should be calculated to the closest 0.1 square meter.

All calculations shall be carefully checked prior to first level recommendation for approval.

7.02.12.00 Noncomplex Valuations of \$10,000 or Less

Noncomplex parcel valuations of \$10,000 or less may be appraised utilizing either the memorandum appraisal format (RW 7-14), or a very succinct narrative appraisal using RW 7-9. The \$10,000 amount includes severance damages, but excludes nonsubstantial construction contract work. Nonsignificant construction contract work includes replacement of existing facilities such as road approaches, fencing, irrigation pipelines, etc.

The determination as to which parcel valuations are noncomplex rests with the Region/District. Among the criteria to be considered in making the determination are:

- A. There is no serious question as to highest and best use.
- B. Adequate market data is available.
- C. Substantial damages and benefits are not involved.
- D. There is no substantial decrease in market value due to the presence of hazardous material/waste.

RW 7-14 shows the minimum content requirements for the narrative portion of the appraisal. The amount of analysis and degree of documentation should be in proportion to the appraisal problem and valuation involved. However, substance and brevity should be the norm. If RW 7-9 is used, then the narrative should be the same succinct format as the Memorandum Appraisal. A narrative paragraph, as described in Section 7.02.03.00, M., shall be included in the report.

One appraisal report can contain any number of these types of parcels. Information pertinent to groups, or all parcels, can be said once in the General Information portion.

In addition, all appraisals must include at least the following:

- Parcel Summary Page
- Senior Field Review Certificate
- Certificate of Appraiser
- Photograph(s) of subject
- Index map
- Appraisal map
- Comparable Data Pages with photographs
- Comparable Data map

Where applicable, the appraisal must also include: Summary of Outdoor Advertising Structures, List of Access Openings, and Sales Data Page.

The amount of analysis and degree of documentation should be in proportion to the appraisal problem and valuation involved.

Appraisals of parcels of nominal or low value will ordinarily require only a brief valuation analysis. Market data used to establish the nominal valuation can be described in the memorandum without including Comparable Data Pages and Comparable Data Map. However, all of the other items discussed above must be included.

7.02.13.00 Determination of Just Compensation In Lieu of an Appraisal

An appraisal is not required if the Region/District determines one is unnecessary because the valuation problem is uncomplicated and the fair market value is estimated at \$10,000 or less based on a review of available data. The \$10,000 amount should include severance damages, if any, but exclude any nonsignificant construction contract work. Authority to make this determination rests with the DDC-R/W, who may delegate it.

The “Determination of Just Compensation” is not an appraisal and is to be used merely for documentation for support of the amount of just compensation to be paid to the property owner.

The determination as to which parcel is uncomplicated rests with the Region/District. Among the criteria to be considered in making the determination are:

- A. There is no serious question as to highest and best use.
- B. Adequate market data is available.
- C. Substantial damages and benefits are not involved.
- D. There is no substantial decrease in market value due to the presence of hazardous material/waste. Code of Federal Regulations [49 CFRs 24.102(c)2] provides that an appraisal is not required for parcels estimated at \$2,500 or less. Current FHWA approval has raised the limit to \$10,000.

The Determination of Just Compensation may be based on a review of available relevant data, such as comparable-sales data or listing data, including sales already in the Region/District files; comparable data and multiple-listing service data; opinions of Assessor’s Office appraisers or real estate brokers, and other cost sources. Comparable Data Pages and sales location maps are not necessary.

The documentation to support the Determination of Just Compensation and required content will depend on whether the value is \$2,500 or less, or \$2,501 to \$10,000, and if it is contained in Sections 7.02.13.01 and 7.02.13.02.

Requirements regarding environmental clearance, project identification, certification date, confidentiality statement, and certification of need for the right of way and access control by Project Development still apply. A narrative paragraph, as described in Section 7.02.03.00, M., shall be included in the report.

Property owners of these parcels shall be sent some form of “Notice of Decision to Inspect” letter (7-EX-17A) with the appropriate Title VI information and booklet “Your Property, Your Transportation Project.” Also, parcel diaries should be initiated and included in the estimate and the file.

A Determination of Just Compensation must be approved in accordance with present approval delegations. They may be prepared and recommended for approval by an Agent of less than Associate grade. It is strongly recommended that Agent preparing the Determination of Just Compensation have a good understanding of appraisal valuation concepts.

Members or candidates of professional appraisal organizations who are assigned to act in the dual capacity of Appraiser and Acquisition Agent should check their organization's Code of Ethics for specific prohibitions and disclosure requirements.

7.02.13.01 **Determination of Just Compensation (\$2,500 or Less) - Contents and Requirements**

In addition to the documentation mentioned in Section 7.02.13.00, a Determination of Just Compensation valued at \$2,500 or less can be documented with a diary entry. The diary entry should state the basis of the value conclusion, i.e., land value, improvement value, and severance/cost to cure damages. In addition, a photograph(s) of the subject must be included.

7.02.13.02 **Determination of Just Compensation (\$2,501 to \$10,000) - Contents and Requirements**

In addition to the documentation mentioned in Section 7.02.13.00, a Determination of Just Compensation with a value estimate of \$2,501 to \$10,000 must include the following:

- Determination of Just Compensation Title Page, Exhibit 7-EX-21A
- Parcel Summary Page
- Senior Review Certificate Form - Determination of Just Compensation, RW 7-5B
- Certification of Determination of Just Compensation, RW 7-6A
- Determination of Just Compensation, RW 7-15
- Photograph(s) of subject
- Index map
- Appraisal map

The Certification of Determination of Just Compensation may have to be modified as to the statements concerning comparable sales. It should also contain a statement as follows:

“That I understand I may be assigned as the Acquisition Agent for one or more parcels contained in this appraisal report, but this has not affected my professional judgment nor influenced my opinion of value.”

7.02.14.00 **Nominal Values (\$2,500 or Less)**

Regardless of the type of valuation report prepared, i.e., narrative appraisal report, memorandum appraisal report, or Determination of Just Compensation, if the amount of all property rights or interests is \$2,500 or less, value of the required property shall be shown as “Nominal” in the total valuation amount column. However, calculations shall be shown in the valuation report to illustrate the basis for the \$0 to \$2,500 conclusion. For example, the report will show 0.025 hectares at \$5000/ha = \$125.

The word “Nominal” is carried forward to the Parcel Summary Page; Senior Field Review Certificate, if required; and the Certificate of Appraiser.

As an option to showing the word “Nominal” as discussed above, the Region/District may show the following in a valuation report that is \$2,500 or less:

- A. If the valuation amount is between \$0 and \$500, show \$500 (nominal) in the amount column.
- B. If the valuation amount is between \$501 and \$2,500, show the actual amount rounded to the nearest \$50 with the word (nominal) after the amount.

Under this option, the valuation amounts shall be carried forward to the Parcel Summary Page, Senior Field Review Certificate, and the Certificate of Appraiser.

The Senior Review Certificate shall be prepared substantially as shown on RW 7-5. Minor modifications may be made to suit the approval requirements.

When the reviewing Senior questions an original estimate of value, parcels affected will be marked with an asterisk on the tabulation. The body of the Certificate will contain a brief résumé of the problem and final decisions on each parcel. (Statements of specific amounts of monetary adjustments are not desired.)

7.04.00.00 - VALUE CONCEPTS AND CONSIDERATIONS

7.04.01.00 **Value Basis**

Required property rights will be appraised at current market value. The property will be appraised as though free and clear of all liens, bond assessments, and indebtedness. The property will be appraised at its highest and best use, considering its legal and economic utility and desirability. Highest and best use is considered to be the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.

Any decrease or increase in the fair market value prior to the date of valuation of real property caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property.

7.04.02.00 **Total Value**

The market value of required property is the total appraised value of the property rights proposed for purchase including net damages, if any, to the remainder. This amount is carried forward to the Parcel Summary Page.

7.04.03.00 **Encumbered Fee**

The condition of title of each subject parcel will be examined. The effects of land restrictions and existing rights of way and easements, recorded and unrecorded, will be considered in the land valuation. The effect of routine tract restrictions, domestic utility easements, and easements of nominal effect may be reflected in the overall valuation of the land. Fee areas encumbered with extensive easements and rights of way which materially affect the use or desirability of the land are to be valued separately, reflecting the effect of the encumbrances. Great care must be exercised in evaluating the effect of private land restrictions or easements in which the subject parcel is a servient tenement. In these cases, a separate appraisal of the dominant tenement and the effect on the servient tenement may be required.

7.04.04.00 **Mineral, Water, Oil and Gas Rights**

Mining claims, water rights, mineral reservation, and oil and gas rights will be valued as separate rights in land, if separately owned, or if comparable data supports other than nominal valuation. The appraisal will include the land value of the right, the improvements appurtenant to the right, and the damage payments and construction contract work necessitated by the proposed highway construction. The value of the fee ownership should reflect the loss of the surface area and other rights required to exploit the resource.

Frequently, these rights may be exploited in the after condition without interfering with the use of the surface for highway purposes. In these cases, the appraisal may show the right at a nominal land value and appropriate payments for improvements, damages, and construction contract work.

When necessary to make separate appraisals of these interests, the Appraisal Branch will identify the separate rights by subparcel letter designation. These rights need not be delineated on Appraisal Maps unless required for clarity.

7.04.05.00 **Improvement Bonds and Assessments**

Property will normally be appraised free and clear of improvement bonds and assessments. This assumes that the appraised value reflects these improvements over properties not so improved and therefore not subject to bonds and assessments. Comparable data are to be adjusted to reflect these differences where the comparables are not subject to the same bonded indebtedness.

Exception to this policy will be allowed only if both the following conditions are met:

- A. The assessment Region/District is relatively new, and few, if any, sales have occurred which reflect the effect of the bonded improvements on property values.
- B. The appraisal indicates that the bonded improvement will be adequate for the area and will add value to the properties, at least, commensurate with its cost.

7.04.06.00 **Leasehold Interests “Bonus Values”**

The valuation of parcels will be made as if free and clear of leasehold interests. However, leasehold information is required. The appraisal will contain the name of the lessee, lease rate, and general summary of the lease terms. The contract, estimated economic rents and any circumstances which may indicate a “bonus value” situation, including the statement that one does or may exist, will be discussed.

“Bonus Value” is defined as the value of a tenant’s leasehold interest in the real estate arising from contract rent that is less than the economic rent. The economic rent must be consistent with the highest and best use of the property. The amount of “bonus value” is a matter between lessor and lessee. Any “bonus value” shall be estimated only at the request of the Acquisition Branch for assistance in negotiations and not included in the Appraisal Report.

7.04.07.00 **Waivers**

A Waiver may be required when a change of grade of an existing street affects a subject property but no other rights are required. In this instance, the remark “Waiver Only” and a nominal value will be shown under the “Land” heading on the Appraisal Page (Form RW 7-9). Valuation will be shown under “Damages.”

7.04.08.00 **Access Rights**

The value of restriction of abutter’s rights, including access rights is measured by the loss in value of the remaining property before and after the restriction. The requirements for abutter’s rights and/or access rights will be marked on the Appraisal Page (Form RW 7-9) of all partial acquisitions. If abutter’s rights and/or access rights are the only property rights acquired, the remark “Abutter’s Rights and/or Access Rights Only” and nominal value will follow the “Land” heading. Valuation of any loss will be shown under “Damages.” (See Section 7.09.00.00.)

Project Development may request appraisals for potential “value enhancement” caused by the Department’s disposal of access rights. The measure of “value enhancement” is the potential increase in value of the abutting property before and after the access is granted. See Project Development Manual, Chapters 26 and 27, as well as Chapter 16 of the Right of Way Manual for guidance.

7.04.09.00 **Temporary Easements**

Temporary requirements such as detours will be valued by the loss in utility and desirability of the encumbered area, and other affected portions, for the period needed. This loss may be expressed as a discounted land rental for the period of the loss of owner’s actual use of the area. The period of loss may vary considerably. For example: Actual use of a parking lot may be lost only during actual construction. Conversely, the loss may occur for the full term of the agreement if a commercial property is precluded from development or profitable use until the termination date. Describe the basis of valuation and term of loss of actual use. A damage payment for restorative work after termination may also be necessary.

7.04.10.00 **Permanent Easements**

Permanent requirements of less than fee title, such as drainage easements, will be valued by the loss in utility and desirability before and after the imposition of the encumbrance. This loss may be expressed as a percentage of

unencumbered fee value. The requirement may also involve improvements and possible damages and benefits to the remaining property.

Care must be exercised that easements existing within the subject fee acquisition are properly valued and that double payment is not proposed for easement replacement requirements.

7.04.11.00 **Unit Values**

Comparable data, land, and improvement values are normally expressed as unit values. The unit values are then adjusted and applied to land and/or improvements of the subject, as appropriate, after taking differences into account.

Occasionally, land may be valued by comparison on a site (unit) or lot basis. This method must be supported by the comparable data. In a partial acquisition, the land will be valued at the comparable unit value of the class of land of which it is a portion. Distribution of value between right of way requirements and excess will be shown at the component unit land values of the classes of land of which the portions are a part.

7.04.12.00 **Hazardous Waste and Hazardous Material Definition**

A material is hazardous if it poses a threat to human health or the environment. The term “*hazardous waste*” is applicable to the storage, deposit, contamination, etc., involving a hazardous material (HM) which has escaped or been discarded or abandoned and which may be defined in general terms as being any of the following:

- Flammable
- Reactive (subject to spontaneous explosion or flammability)
- Corrosive
- Toxic

“*Hazardous materials*” may be any of a large group of the above products. If their use is under control and in accordance with applicable statutes and regulations, there is generally no appraisal problem.

7.04.12.01 **Hazardous Waste General**

Each Region/District has a designated Region/District HW/Materials Coordinator. This is the contact person for all HW information that may pertain to the development of a project. They will be responsible for ensuring implementation of and compliance with the Director’s policy memorandum that outlines the Department’s policy/procedure relative to HW. The major points affecting Right of Way are:

- A. No real property acquisition or possession is to take place until HW investigation reports have been completed and the appraisal reflects those findings.
- B. The parcel Certificate of Sufficiency from Project Development to Right of Way is to have attached a Hazardous Substances Disclosure Document (HSDD) that provides a narrative certification from the District Hazardous Waste Coordinator that the property can be
 1. considered free of significant HW; or
 2. the Certificate and HSDD will include a completed and approved property investigation report stating the nature and extent of contamination and an appropriate remedial cost estimate; or
 3. if appropriate, the Certificate and HSDD will state the owner’s approved cleanup plans, schedule and current status.

7.04.12.02 **Certification**

Project Development is the lead unit responsible for HW identification, investigation and cleanup on required right of way. Project Development is the primary responsible unit for HW identification, investigation and cleanup prior to construction.

During the early stages of project development, the Region/District Project Development and Environmental units will identify sites or facilities that may be contaminated with HW for further investigation. Note: R/W is a Project Development Team member, and its perspective and functional input and needs on HW parcel issues should begin early in the project development process.

Project Development thereafter administers HW investigations and should furnish resulting parcel report copies and estimated costs to R/W by the time the parcel Certificate of Sufficiency with attached Hazardous Substances Disclosure Document is approved and forwarded to Right of Way.

The R/W Appraisal Branch must receive and consider in the appraisal the effect of the parcel HW investigation report, or receive a certification from Project Development that the parcel is considered “free” of HWs, before a resulting parcel appraisal can be approved for acquisition purposes.

Right of Way as part of the Project Development team will assist in the identification and investigation phases whenever possible and will provide the primary source of contact with property owners and operators. As such, Right of Way will:

- A. Alert Project Development whenever a new potential HW site is discovered.
- B. Obtain necessary Permits to Enter for HW investigation and cleanup from property owners and operators, including securing court orders through the Legal Division.
- C. Provide normal right of way clearance activities to include cleanup of minor HW situations which can be handled as part of the clearance contracts.

Early identification of potential HW is essential. The Region/District Project Development Branch is responsible for developing and maintaining a HW tracking system data base; however, Right of Way should assist in any possible way and ensure that Project Development is aware of any suspected HW sites.

Project Development must administer the HW investigation. It must give a copy of any reports and cleanup costs to R/W by the time the Certificate of Sufficiency with attached Hazardous Substances Disclosure Document is approved and provided to R/W. This must then be considered in the appraisal of the parcel or the Certificate with attachment must state the parcel is “free” of HWs before the appraisal can be approved for acquisition.

7.04.12.03 **R/W HW/Materials Coordinators Activities**

The Region/District’s R/W HW/Materials Coordinator activities include:

- Determine and communicate R/W’s market value inspection needs to Project Development when they are different from the remediation requirements for project construction.
- Identify and track all parcels requiring HM inspections.
- Monitor projects and parcels requiring investigations for completion status per R/W schedule and lead time requirements.
- Prepare and administer HM inspection contracts.

- Obtain Legal Division coordination as necessary.
- Secure entry approvals from property owners as required for investigations.
- Obtain copies of HW inspection reports and estimated remedial costs and give those reports to the proper R/W functions.
- Approve inspection reports on HM and projected remedial actions and costs.
- Deliver reports in a timely manner.
- The early identification of utility relocation easements to be acquired by R/W so they too may be cleared of potential HW problems.

7.04.12.04 Hazardous Materials

Asbestos containing materials (ACM) and other HMs must be fully considered to ensure property with such HM is not acquired without adequate prior investigation, valuation analysis and clearance abatement. HMs primarily include asbestos, but can include PCBs, lead based paints, etc.

The identification, investigation and evaluation of parcels which may contain HMs must be made early to assure meeting project delivery schedules. This early identification requires the appraiser to use common sense and knowledge to identify possible HM containing property. Once identified, inspection will have to be made by licensed, qualified persons. Inspections will be performed by licensed, qualified persons, usually contractors hired by contracts awarded under the bidding process either by task order or separate contract.

The property owner must give prior written permission before an inspection can be made.

The inspection will include a determination of:

- A. The type, extent, location, and quantity of ACM (and any other suspected significant HM), within the structure;
- B. Condition of the ACM - friable, nonfriable, stable or deteriorating, etc.;
- C. Identification of and cost of appropriate remedial action(s):
 1. Removal
 2. Other acceptable steps (encapsulation, etc.)
 3. Cost of restoration.

Every improved property will be inspected except:

- A. Residential improvements of one to eight units when:
 1. The market approach is the only or clearly the primary basis for valuation;
 2. Comparable data shares the general characteristics of the subject; and
 3. The existing improvements represent the highest and best use of the property;

- B. Improvements constructed entirely after January 1, 1980.
- C. Those improvements constructed with materials which can be easily determined to not contain HMs (example: all metal storage buildings).

7.04.12.05 **HW Site Identification**

This, as well as information on testing and/or cleanup, including a cleanup cost estimate appropriate for fair market value appraisal analysis, should be furnished by Project Development for all parcel appraisals including replacement utility easements to be acquired by the Department. The appraiser may obtain information to assist Project Development in identifying possible HW sites that may have been missed. This includes observing potential problems during the inspection of the subject property. It also includes questioning the owner and lessee about current and past possible HM and possible contamination on the site including underground storage tanks. When previously undiscovered tanks do exist, the appraiser must obtain as much information as possible regarding tank size, age, construction, location, contents, etc.

The appraiser must document observations and discussions with the property owner, lessee or other occupants regarding possible waste problems in the Parcel Diary. This must be passed on to Project Development and the Hazardous Waste Coordinator. (See "Notification" below.)

As a general guide for appraisers, some present and prior land uses where HW/HM problems may exist are set forth below.

- A. Commercial and industrial sites such as service stations, muffler shops, bulk plants, paint manufacturing companies, machine shops, plating works, dry cleaning plants, chemical and fertilizer companies which may use or have used solvents, cleaning compounds, catalysts, cutting oils, plating solutions, dyes, paints, or other chemicals;
- B. Junk yards, auto wrecking yards, dumps, or landfills;
- C. Underground or aboveground tanks for storage of liquid hydrocarbons, pesticides or other toxic materials;
- D. Existing buildings with asbestos siding, roofing, ceiling material, floor tiles, fire-proofed doors, or insulation on water pipes, heaters, heating ducts, steel framing, etc.
- E. Disposal sumps or pits which may contain agricultural chemicals or industrial wastes;
- F. Utility substations or storage/maintenance facilities, and;
- G. Sites where contamination may have resulted from an adjacent property owner's operation.

7.04.12.06 **Notification**

When a suspected HW site has not previously been identified, R/W is to immediately notify Project Development by memorandum with a copy to the Hazardous Waste Coordinator. This memorandum is to give full details as to the appraiser's observations and findings regarding the potential HW problem. The memorandum will request an investigation to determine future actions. If the investigation finds potential HW and testing is necessary, Project Development will hire a consultant to determine the nature and extent of the waste. If testing confirms contamination, Project Development is to furnish the Appraisal Branch with a cleanup cost estimate.

7.04.12.07 Valuation

Regardless whether the right of way requirement is fee or easement title, the real property will be appraised recognizing the effects of HW and HM on its market value.

A. HAZARDOUS WASTES -

The valuation of property that involves an identified HW site will include: 1) The market value of the property as if free and clear of the HW. 2) The market value of the property considering the effects of the HW.

The opinion of market value of a property in its contaminated condition must consider the following:

- Local regulatory agency cleanup requirements.
- Estimated cleanup cost furnished by Project Development.
- Market data involving sales, offers or listings of properties with comparable cleanup problems.
- Marketability of parcels with known HW cleanup problems considering opinions of developers, brokers, lenders, insurers, investors or other informed persons.
- Any other pertinent data, opinions, etc.
- Comparable data verification will at a minimum include the following:
 1. Was site investigation or testing done as a condition of sale? What were the results?
 2. Did the transaction price or terms reflect the results and/or cost of correction?
 3. Was an indemnification agreement to protect the buyer from risks associated with HW/HM a part of the deal?
- If investigation indicates that the property being appraised either originated or caused contamination that has, or may have, also contaminated adjacent property, HQ R/W is to be contacted.
- Adequate comparable data may not be available to directly conclude a fair market opinion of a property in its contaminated condition. In such cases, the alternate appraisal may consider deducting the estimated cleanup cost from the value of the property as if free and clear of the HW. The estimated cleanup cost should reflect what a market value buyer would reasonably expect to pay in order to utilize the property at its highest and best use. This does not necessarily follow the remedial methods, costs or construction schedule associated with the Department's project. Also, the property's highest and best use could change depending on the nature and extent of contamination and alternate remediation options and costs.
- Analysis must consider the cleanup requirements, for highest and best use, of the local regulatory agency having jurisdiction. Full cleanup may not be required or can be delayed for a certain period of time. Thus, the cleanup estimate as furnished by Project Development may need to be adjusted or discounted to reflect the market value situation.

Appraisals that result in a negative value (cost of HW cleanup exceeds market value of cleared property) will be shown as "\$0."

The existence or absence of possible hazardous waste will be noted on the Appraisal Page (RW 7-9) in every appraisal by checking "Yes" or "No" after "Possible HW (including underground tanks)." Where possible or confirmed HW problems do exist, a full discussion will be included in the body of the appraisal. This discussion will describe the nature of the problem or suspected problem, regulatory agency cleanup requirements, status of testing or cleanup plans and any other pertinent information, including the impact on market value, if any.

B. HAZARDOUS MATERIALS -

The Appraisal Branch must obtain and fully evaluate the impact of ACM, or other HM, before an appraisal report can be approved for acquisition purposes. The Appraisal Branch retains the responsibility for requesting needed inspections on improved properties which were originally excluded from inspection. The appraisal report will document if an inspection was not required.

Appraisals of all improved properties to be acquired will reflect market adjustments for the presence of ACMs or other significant HMs.

Evaluation of improved comparable sales data will, at a minimum, include verification of the following:

1. Was an inspection of the buildings for HWs and/or HMs made as a condition of sale? If "Yes," what were the results of the inspection?
2. Did the transaction price or terms reflect the results and/or the cost of correction or other HW/HM considerations?
3. Was there an indemnification agreement provided by the seller that affected the property's sale price by protecting the buyer from liability, risk or exposure associated with a known or possible HW/HM condition?

Valuation will consider the impact of HM on the property. The market may react to the presence of HMs in an improvement on the subject by adjusting the price/terms of the purchase agreement. Dollar adjustments, if any, may be more, less, or equal to the cost of the remedial action to remove, restore, or otherwise mitigate the problem.

The effect of HM on value will vary depending on whether the existing improvements are the highest and best use of the land. Cost of remedial action may change the highest and best use. Further, any remodeling, renovation, repair or modernization which requires disturbance of otherwise dormant HMs in order to achieve or maintain highest and best use must be analyzed. Economic life of improvements may be shortened as a result.

The fact that the Department will incur cleanup costs as part of the right of way clearance process does not necessarily indicate that the market value of the property is affected. In appraisals where the estimated demolition cost of an improvement is being deducted from the market value of a property as if vacant and ready for development, the estimated demolition cost should include the removal of any HMs.

Containerized HM used in an operation that represents the highest and best use of a property, will ordinarily not affect market value—i.e., paint stored in cans in an auto paint shop. On the other hand, containers of HM that must be removed to utilize a property to its highest and best use may impact market value—i.e., abandoned drums of toxic chemicals on a vacant site.

Following investigation, the existence or absence of HM will be noted in the appraisal. Where HMs occur, the appraisal discussion will include a description of the materials, their location and condition, any regulatory controls applicable, the effect on the property's current or future use, present and/or future remediation actions and costs, and the estimated impact on market value.

7.04.13.00 **Market Value of Nonprofit, Special Use Properties**

The statutory definition of market value has been modified to add that a just and equitable method of determining the value of nonprofit, special use property as defined, for which there is no relevant, comparable market is:

“The cost of purchasing land and the reasonable cost of making it suitable for the conduct of the same nonprofit, special use, together with the cost of constructing similar improvements.”

The new provisions are applicable only if the property meets all four of the following criteria:

1. The subject property is operated for a special, nonprofit use.
2. The operator must have an exempt status with the State or Federal Income Tax offices.
3. The property is not owned by a public entity.
4. There is no relevant, comparable market data.

“The cost of purchasing land” is considered to be the estimated cost to acquire an area of sufficient size to conduct the special use. It is not necessary to identify any specific property. The cost should usually be estimated on the basis of typical unit or site prices for a land area with sufficient utility to conduct the use. The geographical area analyzed to arrive at the typical price should be suitable to the special nonprofit use.

“The reasonable cost of making it suitable for the conduct of the same nonprofit, special use” should be based on the typical or appropriate factors in the geographical area suitable to the use. There is no requirement to base the cost on a specific site, and there is no requirement that the nonprofit entity relocate in order to be compensated under this method.

Compensation for improvements on such property shall be based on “the value of reproducing the improvements without taking into consideration any depreciation or obsolescence of the improvements.” The cost of constructing or reproducing similar improvements will usually be the replacement cost new, with no deduction for depreciation or obsolescence.

The total of three costs is the value under this method. In each case where the value is based on the above-described method, a second valuation must be prepared and included in the report. The latter will usually be the market value of the subject property using a conventional cost approach. This is because Federal participation in acquisition costs will continue to be limited in these cases to fair market as commonly measured on the basis of replacement cost new less depreciation, unless the market indicates otherwise.

The difference between the two valuations will be a nonparticipating, state-only payment. Properties of this type may not be acquired often but have potential for significant effects on capital and scheduling, and should be discussed with the Headquarters Appraisal Branch before the owner is contacted and the appraisal begun. When the appraisal of a nonprofit, special use property is completed under this provision, the report is to be approved by HQ R/W.

NOTES:

7.14.00.00 - EXCESS LAND APPRAISALS

7.14.01.00 General

Requests for excess property valuations will originate in the Excess Land Branch or the Acquisition Branch. A copy of the written request will be included in the Report.

Excess land appraisals, Market-Value Determinations, and estimates may be prepared by a Right of Way Agent, Range B, provided the Agent's qualifications are commensurate with the complexity of the valuation problem.

At the discretion of the DDC-R/W, Market-Value Determinations and Public Sale Estimates of market value may be prepared by an agent assigned to the Excess Land Branch. However, the Market-Value Determination must be reviewed and recommended for approval by a Senior Right of Way Agent assigned to the Appraisal Branch.

When the same agent prepares the Market-Value Determination or Public Sales Estimate and conducts the sale, RW 7-17A, Certificate of Market-Value Determination, must be revised. It should contain the following statement:

“That I understand I may be assigned as the sales agent for one or more parcels contained in this report, but this has not affected my professional judgment nor influenced my opinion of value.”

Only in the instances cited above, may an excess land valuation be prepared by an agent assigned to the Excess Land Branch.

7.14.01.01 Sale

Excess property can be sold by the following methods:

- A. Public sale by auction or sealed bid.
- B. Private auction or sealed bid sale between adjoining owners.
- C. Direct conveyances.
 - 1. Direct sale to adjoining owner (Findings “A” and “B”).
 - 2. To other governmental agencies.
 - 3. To Public Utilities.
 - 4. By Cooperative Agreements.
 - 5. Pursuant to Legislation.
 - 6. To qualifying occupants under certain statutory requirements.
 - 7. Exchange pursuant to a contractual obligation.
- D. Transfer of Control and Possession.

7.14.01.02 **Valuations**

There are three basic types of excess land valuations. They are Public Sale Estimates, Market-Value Determinations, and Market Value Appraisals.

Dual market value appraisals are required for excess land parcels of \$500,000 or more that are proposed for direct sale to private parties. The appraisals can be prepared by staff appraisers who shall be at the journey level or higher. Exceptions may be made by the Region/District for noncontroversial direct sales to private entities. The requirements are as follows:

1. Proposed direct sales to private parties of excess property valued at \$500,000 and above:
 - a. The requirement for approval of the dual excess land appraisal remains with Headquarters Right of Way.
 - b. The Region/District may approve the waiver of the dual appraisal.
 - c. The criteria for waiver of the dual appraisal are similar to those related to project appraisals (Section 7.01.07.01), except for issues related to severance damages.
 - d. The memorandum approving the waiver of the dual appraisal will contain sufficient supporting documentation and will be signed by the District Division Chief.
 - e. Staff can prepare both appraisals when dual appraisal reports are required.
2. Proposed direct sales of excess property to a public agency do not require a dual appraisal and staff may prepare the single report. However, if the parcel is controversial, or politically sensitive, the Region/District should strongly consider hiring an independent appraiser.

7.14.02.00 **Review and Approval of Excess Land Appraisals and Public Sale Estimates**

A field review of the subject and comparable data by the Appraisal Senior is required prior to recommendation of the estimate for approval. All valuations shall be approved in accordance with the current delegations. The Airspace Advisory Committee (AAC) reviews any excess land parcel with a value of \$1,000,000 or more prior to its submittal to the CTC.

7.14.03.00 **Public Sale Estimates**

A Public-Sale Estimate will be prepared for all excess parcels to be sold by public sale, except where a market-value appraisal has already been prepared. It is an estimate of current market value, in brief written form, containing the minimum reasonable parcel description, value analysis and supporting data. While the intention is to complete the estimate as rapidly as possible, it is also important that the appraiser strive for a reasonable level of quality and accuracy.

It is intended to provide the Excess Land Branch with an estimate of market value in the least possible time. The estimate will be used as the basis for setting the minimum bid on property to be offered at public sale.

This estimate of market value is to consider the parcel at its highest and best use as a separate parcel. It must consider present zoning as it affects the value for such use, along with the potential for rezoning.

The full market effect of all damages and benefits including noncompensable damages and general benefits must be considered. Also consider the economic effect of delay in the use of the property pending completion of construction of the transportation project.

7.14.03.01 **Format**

The Public Sale Estimate Report should usually be prepared in the format of Exhibit 7-EX-15 and have map(s) attached.

7.14.03.02 **Content**

The report may be typed, but a legibly written, reproducible estimate is acceptable. The essential items to appear on the page are:

- Excess property identification [Region/District, County, Route and Director's Deed number, Excess Land parcel number(s) and property address].
- Zoning of the property.
- Highest and Best Use of the property and comment in support thereof.
- A brief narrative description of the subject (including improvements), and its neighborhood setting.
- A description of easements or other legal encumbrances.
- A brief statement about the supporting data used.
- A brief analysis.
- Market Value Estimate, including separate land and improvement values if applicable.
- Date of value.
- Estimator's name, signature and date.
- Senior Appraiser's name, signature and date.
- Approving Right of Way Agent's name, signature, title and date.

7.14.03.03 **Examples of Supporting Data**

- **Primary**

- a. Comparable sale(s).
- b. Comparable listing(s).

- **Secondary**

Market value opinion(s) from:

- a. County assessor or staff appraisal members.
- b. Real estate brokers or sales persons.

- c. Real estate developers.
 - d. Real estate buyers and sellers.
 - e. Real estate appraisers, public or private.
 - f. Other people with credible knowledge about real estate values relevant to the subject.
- State excess land sales

7.14.04.00 Market-Value Appraisals - General

A Market-Value Determination or a Market-Value Appraisal will be prepared for all properties to be sold at other than a public sale. "Market Value" is defined as the value of the parcel at its highest and best use, which may be as assemblage to adjoining property. The Market-Value Determinations or Market-Value Appraisals must consider the full market effect of all damages and benefits, and the economic effect of delay in the use of the property pending completion of construction of the transportation project.

There are some specific valuation concepts and considerations associated with Excess Market Value Appraisals.

- A. Excess property with a highest and best use as assemblage to an adjoining property will be appraised at plottage value, i.e., the increment of value created by assemblage. The before and after valuation method will be used. Thus, the adjoining property will first be appraised as a separate parcel and then as assembled with the excess property. Plottage value created by assemblage must then be allocated between the adjoining parcel and the excess parcel, recognizing that both parcels are needed to create plottage value, but taking into consideration what each contributes to that value. The portion of the allocation attributed to the excess parcel is the "market value" of the excess. Note: Where the excess parcel is a minor remnant, likely to add a value of \$5,000 or less, a simple approximation of the value of the adjoining property is sufficient or this may be omitted entirely.

In valuing the assembled parcels, the appraiser must also consider costs of physically joining the excess property with the adjacent property; for example, earthwork necessary to eliminate a substantial grade difference. The appraiser must also take into consideration soft costs such as time, carrying costs, and profit for any development required to realize the plottage value.

When the excess parcel being valued adjoins more than one ownership, it will be appropriate to indicate the value of the excess parcel as assembled with each of the adjoining ownerships. The value as shown on page 1 of the Excess Land Market Value Sheet (Form RW 7-18) will be that which is the highest value. Lower values considering assemblage to other adjoining ownerships may be indicated by notation on the Excess Parcel Market Value Sheet or attachment thereto.

In assemblage situations, the appraisal will include a map showing the excess and all adjoining ownerships.

When an adjoining property(s) requests decertification of right of way, the appraised value will not be reduced by the costs of relocating or reconstructing any necessary highway facilities such as freeway fencing, drainage facilities, slopes, landscaping, etc. The buyers of decertified right of way must pay for necessary costs of rearranging utilities, fencing, landscaping, and other improvements which may be affected by the decertification.

- B. Utility easements to be conveyed to utility companies will be appraised at market value.
 - 1. If the valuation amount is between \$0 and \$500, show “nominal” in the amount column.
 - 2. If the valuation amount is between \$501 and \$2,500, show the actual amount rounded to the nearest \$50, or, show “nominal” followed by the amount shown in parentheses.
- C. Access rights will be valued at the difference between the values of adjoining property with and without encumbrance of the access rights.
- D. Current market data are normally the best comparables. State sale comparables may be used if they meet normal criteria of comparability in time, desirability, market transaction, etc. State sales may best be used to demonstrate damage-benefit relationships between a State sale and contemporary market data in its locality. This relationship may be helpful in applying similar damage-benefit ratios to local market data and the subject parcel.

7.14.04.01 Market-Value Determination of \$10,000 or Less

An appraisal is not required if the Region/District determines one is unnecessary because the valuation problem is uncomplicated and the fair market value is estimated at \$10,000 or less based on a review of available data. The Market-Value Determination (MVD) is not an appraisal and is to be used to document the fair market value of the excess land to be disposed of.

The determination as to which parcel is uncomplicated rests with the Region/District. Among criteria to be considered in making the determination are:

- A. There is no serious question as to highest and best use.
- B. Adequate market data is available.
- C. Substantial enhancement value to adjoining parcel will not occur with the assemblage of the excess parcel.

An MVD cannot be used for a valuation problem that is considered complicated and/or complex, regardless of value.

The Market-Value Determination may be based on a review of available relevant data, such as comparable-sales data or listing data, including sales already in the Region/District files, comparable data and multiple-listing service data, opinions of Assessor’s Office appraisers or real estate brokers, and other cost sources. Comparable Data Pages and sales location maps are not necessary.

A Market-Value Determination can, subject to approval delegations, be approved at the Senior level. They may be prepared and recommended for approval by an agent of less than Associate grade. It is strongly recommended that the Agent preparing the Market-Value Determination have a good understanding of appraisal valuation concepts.

The same Agent who is assigned to sell the excess parcel can prepare a Market-Value Determination. Refer to 7.14.01.00 for the proper statement to include in RW 7-17A when the single Agent is assigned both activities.

Members or candidates of professional appraisal organizations who are assigned to act in a dual role of Appraiser and Acquisition Agent should check with their organization’s Code of Ethics for specific prohibitions and disclosure requirements.

7.14.04.02 The Appraisal Format, Content, and Standards

- A. All appraisals over \$10,000 must follow the general standards of right of way acquisition appraisals.

However, the amount of analysis and degree of documentation should be in proportion to the appraisal problem and valuation involved. Only relevant data should be included. The relevant data should be concisely stated and succinctly analyzed.

The standard right of way acquisition appraisal format will be used except that the Excess Land Title Page (Form RW 7-16) and Excess Land Market Value Sheet (Form RW 7-18) will replace the standard title page and appraisal page.

The Excess Appraisal Request from the Excess Land Branch or the Acquisition Branch should include the acquisition cost of the excess.

- B. Market-Value Determinations of \$10,000 or less may be prepared in the format shown in Exhibit 7-EX-16.

1. If the valuation amount is between \$0 and \$500, show the word “nominal” in the amount column.
2. If the valuation amount is between \$501 and \$2,500, show the actual amount; or show “nominal” followed by the amount, rounded to the nearest \$50, shown in parenthesis.

The data required include the market value (shown parenthetically after the word “nominal”), a Senior Field Review Certificate, Certificate of Appraiser, and a parcel map. Photographs and narrative support of the valuation are not required unless HQ R/W approval is requested.

3. If the valuation amount is between \$2,501 and \$10,000, show the actual amount rounded to the nearest \$50. A Senior Field Review Certification (RW 7-5C), Certificate of Market-Value Determination - Excess Land (RW 7-17A), and a parcel map are required. Photographs and narrative support of the valuation are not required unless HQ R/W approval is requested. The Market-Value Determination will ordinarily require only a brief valuation analysis, and the content can be similar to that required for a Public Sales Estimate as indicated in 7.14.03.02 and 7.14.03.03.

Any number of parcels on a single project with a like use can be valued on the same form.

- C. The Uniform Residential Appraisal Report form (URAR) may be used for appraising single family residential properties or 2 to 4 unit multiresidential properties. For further information regarding the use of the URAR form appraisal, see Section 7.07.02.00.

If the URAR form appraisal is used for proposed direct sales of excess pursuant to Government Code Section 54235, et seq. (SB 86, Roberti), the following is to be considered when preparing the appraisal:

- If improvement rehabilitation work is to be completed prior to sale and the parcel is appraised as though the work has been completed, list the rehabilitation work on a separate page attached to the form appraisal.
- The form may also be used to appraise the property before rehabilitation if the Excess Land Sales Section requests such an appraisal. The appropriate premise must be indicated in the appraisal request letter from the Excess Land Sales Section.

7.14.05.00 **Review of Request for Proposal Submittals (RFP)**

Proposal Forms received as the result of a Request for Proposals, in the course of sale of residential properties under Government Code Sections 54235 et seq., will be reviewed by the Region/District Appraisal Section. This is to validate the reasonableness of the offers received.

Upon receipt of written request from the Excess Land Sales Section, the Appraisal Branch's responsibility will be to review the Proposal Form to verify that the estimated operating expenses appear appropriate to the particular property involved. That is, fixed and variable operating expenses and reserves for replacements will be reviewed to see that they conform to local practice experience, market expectations and reasonable anticipated costs and economic life standards.

In addition, proposed rehabilitation work and its estimated cost as contained in the proposal should be reviewed to determine whether the work and cost appear appropriate. The review will be commensurate with the extent of the information furnished. Excess Land Sales is responsible for furnishing additional data for consideration if any is required.

The review memorandum should be signed by the Appraisal Manager and a copy retained in the Appraisal files.

NOTES:

CHAPTER 7

Appraisal Procedure Table of Contents

EXHIBITS

<u>Exhibit No.</u>	<u>Title</u>
7-EX-1	Appraisal Report Front Cover
7-EX-2	Summary of Comparable Data
7-EX-3	Documentation of Economic Rent
7-EX-4	Final Reconciliation Summary
7-EX-5	Cost Approach - Cost New Less Depreciation
7-EX-6	Summary of Damage Alternatives
7-EX-7	Rental Schedule and Unit Inventory (Residential)
7-EX-8	Building Check Sheet
7-EX-9	Commercial Industrial Building Record
7-EX-10	Appraisal of Outdoor Advertising Site Value
7-EX-11	Memorandum Requesting Sign Board Information
7-EX-12	Claim for Reimbursement [Existing Outdoor Advertising Painted Bulletin or Special Build Structure (Schedule B)]
7-EX-13	Estimate of Relocation Cost [Special Builds, Painted Bulletins, and Urban Rotate Bulletins]
7-EX-14	Poster Panel Removal [Payment and Depreciation Schedules A through H (English Units)]
7-EX-15	Excess Land Public Sale Estimate
7-EX-16	Memorandum – Market-Value Determination
7-EX-17	Notice of Decision to Appraise
7-EX-17A	Notice of Decision to Inspect
7-EX-18	Report Analysis
7-EX-19	Request for Copy of Tax Return Form FTB 3516
7-EX-20	Hold for Future Use
7-EX-21	Appraisal Title Page
7-EX-21A	Determination of Just Compensation Title Page
7-EX-21B	Appraisal Title Page - Review Appraiser
7-EX-22	Appraisal Checklist
7-EX-23	Appraisal Transmittal Letter

APPRAISAL TITLE PAGE

7-EX-21 (REV 9/2004)

(Form #)

Fed. Proj. No. _____

Report	Reg/Dist	Co	Rte	KP (P.M.)	Control Exp Auth	R/W Exp Auth (PH9)	Program
--------	----------	----	-----	--------------	------------------	--------------------	---------

Project Limits:

Type of Road and Title Required:

DATES:

Frwy Agmt.

Env. Clear.

Appraisal

FY Acquisition

Certification

FY Const.

Cat. Exempt.

District Approved

Parcels: New _____ Rev. _____

Headquarters Approved

Parcels: New _____ Rev. _____

The appraisals contained herein are confidential and have been prepared for Department use only as a step in the eminent domain process upon which to base offers of settlement and thereafter acquire said parcels by condemnation if the offer is refused.

The undersigned appraised the properties contained herein and recommend approval of this report:

Appraiser, Associate R/W Agent _____

Calculations, content, and arrangement
verified by: _____

The undersigned has reviewed and recommends approval of this report and certifies that the requirements of the R/W Manual have been met.

Chief, Appraisal Branch
Region/District _____

APPROVED:

Region/District Division Chief
Right of Way, Region/District _____

District Approval Date: _____

DETERMINATION OF JUST COMPENSATION TITLE PAGE

7-EX-21A (REV 9/2004)

(Form #)

Fed. Proj. No. _____

Report	Reg/Dist	Co	Rte	KP (P.M.)	Control Exp Auth	R/W Exp Auth (PH9)	Program
--------	----------	----	-----	--------------	------------------	--------------------	---------

Project Limits:

Type of Road and Title Required:

DATES:

Frwy Agmt.

Env. Clear.

Appraisal

FY Acquisition

Certification

FY Const.

Cat. Exempt.

District Approved

Parcels: New _____ Rev. _____

The Determination(s) of Just Compensation contained herein are confidential and have been prepared for Department use only as a step in the eminent domain process upon which to base offers of settlement.

The undersigned has made the determination of just compensation of the properties contained herein and recommends approval of this report:

R/W Agent _____

The undersigned has reviewed and approved this report and certifies that the requirements of the R/W Manual have been met.

APPROVED:

Senior R/W Agent _____

District Approval Date: _____

APPRAISAL TITLE PAGE - REVIEW APPRAISER

7-EX-21B (REV 9/2004)

(Form #)

Fed. Proj. No. _____

Report	Reg/Dist	Co	Rte	KP (P.M.)	Control Exp Auth	R/W Exp Auth (PH9)	Program
--------	----------	----	-----	--------------	------------------	--------------------	---------

Project Limits:

Type of Road and Title Required:

DATES:

Frwy Agmt.

Env. Clear.

Appraisal

FY Acquisition

Certification

FY Const.

Cat. Exempt.

District Approved

Parcels: New _____ Rev. _____

Headquarters Approved

Parcels: New _____ Rev. _____

The appraisals contained herein are confidential and have been prepared for Department use only as a step in the eminent domain process upon which to base offers of settlement and thereafter acquire said parcels by condemnation if the offer is refused.

The undersigned appraised the properties contained herein and recommend approval of this report:

Appraiser, Associate R/W Agent _____

Calculations, content, and arrangement
verified by: _____

The undersigned has reviewed and approved this report and certifies that the requirements of the R/W Manual have been met.

APPROVED:

Region/District Review Appraiser _____

District Approval Date: _____